

# Copreneurial Sustainability: Optimizing Structures in Small and Medium U.S. Enterprises

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of the requirements  
for the degree of  
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Patricia Eisele  
B.S., M.B.A.

School of Management  
College of Business  
RMIT University

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## **Declaration**

I certify that except where due acknowledgment has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis is the result of work which has been carried out since the official commencement date of the approved research program; any editorial work, paid or unpaid, carried out by a third party is acknowledged; and ethics procedures and guidelines have been followed.

Patricia Eisele

26 August 2011

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## **List of Acronyms**

FFI	Family Firm Institute
F-PEC	Family - Power, Experience, Culture
IFERA	International Family Enterprise Research Academy
NFBS	National Family Business Survey
RBV	Resource-Based View
SFBM	Sustainable Family Business Model

## Abstract

In the 40 years since dual-career households were inspired by the women's movement, few studies have examined the long-term achievements of entrepreneurial couples (copreneurs) from start-up through maturity. This thesis explores and analyzes the structures created by copreneurs that optimize sustainability of the copreneurial enterprise. The enterprise "system" under study includes both the business and the life-partner relationship over 20+ years together (in business and marriage) in small and medium enterprises in the United States. To support the aim of the thesis, the following research question was derived from the literature review: *What optimizing structures are created by copreneurs to achieve sustainability of both the business and the family?*

The thesis comprises four phases of research:

1. Development of the Conceptual Model of the Copreneurial Enterprise;
2. Testing of the conceptual model;
3. Identification of optimizing structures; and
4. Development of the Model of Harmonized Copreneurial Enterprise Management.

The thesis follows a constructivist-interpretive (qualitative) research approach using a theoretical framework – The Conceptual Model of the Copreneurial Enterprise – based on seminal family business models and literature. The conceptual model was empirically tested with a sample of 10 couples (20 individuals) from four regions in the United States (East, Midwest, Southwest and

West). Data collection included historical archive review, a business site visit, and in-depth face-to-face, phone and email interviews.

Two independent analyses were conducted based on the interview data: a manual theme-category analysis, producing 11 themes; and an NVivo software analysis, generating 40 nodes. The analyses were compiled in an Operationalization of the Conceptual Model of the Copreneurial Enterprise. The analysis of the empirical data produced comprehensive findings which were compared with family business, entrepreneurial and copreneurial literature. A Model of Harmonized Copreneurial Enterprise Management was developed from the findings.

The findings show that although copreneurs do not follow best practices, they achieve highly successful outcomes through harmonized management of business, family and individual domains. These outcomes are anchored in four foundational structures: (1) personal attributes (creativity, freedom, quality, commitment); (2) organizational elements (integrated goals, mutual respect, equality, trust, opportunistic thinking, checks and balances, synergy); (3) reciprocal relationships (career, marriage, family, business); and (4) enterprise culture (connection, harmony, equality, balance).

The four central structures create a foundation for growth and sustainability – profitable businesses, functional families (with marriage longevity), and individual development – with the Model of Harmonized Copreneurial Enterprise

Management reflecting a holistic optimizing “system” structure underpinning successful, sustainable copreneurship.

This knowledge may be used to guide future research, develop educational programs for copreneurs, and inform couples in copreneurial enterprises (or those considering copreneurship) how to achieve sustainability and success.



## Chapter 1: Introduction

### INTRODUCTION

Family businesses represent between 80 and 95 percent of all businesses in free economies (Poza 2010). Their value as employers and producers of goods and services – both domestic and global – is evident. Within the family business arena, copreneurs represent a significant and growing subset, estimated at 10.1 percent of 18 million family businesses in the U.S. (Gardner 1991; Pratt 2009). Yet, research into copreneurs has not kept pace with their increasing importance. A long-term “system view” of the three domains of the copreneurial family business enterprise (business, family and individual) has not emerged in the literature since Barnett and Barnett (1988) first defined copreneurs as life partners who also share a full-time business venture *as equals*. Researchers from the disciplines of business, sociology and psychology have explored single-issue topics such as work-family interface, boundaries and transitions, conflict, leadership, and gender. However, a comprehensive, historical study of copreneurial enterprises – from pre-start-up through to business and family maturity – has not been conducted. Nor has work progressed toward the development of a *theory of the copreneurial enterprise*.

Copreneurs as a business entity emerged from the same social movement that inspired working women to move toward defined career paths. The traditional 1950s family structure – a male bread-winner with a stay-at-home housewife – transformed in the 1970s into dual-income households with male and female workers pursuing life-long career paths. Although the majority of men and women entered the workforce as traditional career *employees*, a subset started

their own businesses. These included independent male and female entrepreneurs, business partnerships with male/female owners, family businesses with male or female owners, and *copreneurs* – the couples who created businesses together *as equals*, often beginning in home-based environments.

At the present time, with economic and workforce conditions in the U.S. impacting family financial sustainability and family well-being – especially for dual-career couples who depend on two incomes – it is paramount that research into the copreneurial experience be conducted with an aim toward both business profitability *and* family functionality. Both business failures and marriage failures impact the economy and compromise the fabric of family life for spouses and children.

## **1.1 THEORETICAL BACKGROUND**

The research on copreneurs to date has focused primarily in two areas: (1) demographic-based comparisons of copreneurs to other family businesses; and (2) the management of tensions between business and family, often from the perspective of a marriage with a business component. For research to progress to a deeper level of understanding, more system studies are required that explore both the business and the family using conceptual models that portray the interrelatedness between the system and its subsystems, with empirical testing in the field (Sharma 2004). The lack of system research on copreneurial enterprises *over time* represents a gap in the knowledge required for copreneurs

to achieve sustainability and success for their business, family and personal interests, including their underlying life-partner relationships.

## **1.2 AIM OF THESIS**

The aim of this thesis is to identify structures that support long-term sustainability of the copreneurial enterprise and its sub-systems. To support the aim of the thesis, the following research question was derived from the literature review: *What optimizing structures are created by copreneurs to achieve sustainability of both the business and the family?*

## **1.3 SCOPE OF THESIS**

In this thesis, a distinction is made between full-time copreneurs and couples who are part-time hobbyists, or individual entrepreneurs with a spouse who participates in the business (i.e. a spouse who does bookkeeping on the weekends to support their partner's business). This distinction is important in limiting the scope of the thesis, which is based on the seminal Barnett and Barnett (1988) definition and sample – copreneurial enterprises defined as dual-career households generating primary income from a joint and equal business endeavour. Copreneurs are thus viewed as a couple who followed the social trend into full-time career paths, but did so without becoming employees of an external company. On an individual basis, they are also male and female entrepreneurs who share both a business and a marriage or marriage-like relationship. To capture rich data on sustainability of copreneurial enterprises, the sample is limited to couples who have been life partners and in business

together for more than 20 years. Furthermore, the thesis is limited to small and medium enterprises in the United States.

The following definition developed for this thesis and used to determine methodology and instrument incorporates the essence of the original definition by Barnett and Barnett (1988):

A copreneurial enterprise is a first-generation, full-time business owned and managed by two people who consider themselves life partners and co-founders of a business where relationships are *outwardly equal*.

Further, as defined by Barnett and Barnett (1988), the copreneurial enterprise is a venture “based upon the firm foundation of the family unit as an economic enterprise, in which the couple’s individual energy, experience, vision, and sense of purpose are combined into a partnership based on trust, equality, sharing and intimacy” (p. 3).

#### **1.4 METHODOLOGY**

The thesis follows a constructivist paradigm, using a conceptual model and a qualitative, in-depth interview approach as the methodology best suited to generate rich description at the micro and macro level. Data collection comprises historical data review, site visits and interviews completed in the United States in July 2009, and telephone interviews conducted in August 2009, with a total of 10 couples (20 participants) in the sample. Digitally-recorded audio interviews were transcribed and analyzed using both a manual theme-category analysis and an NVivo software analysis.

## **1.5 STRUCTURE OF THESIS**

The first five subsequent chapters (2-6) present a review of the research literature upon which the thesis is based. The development of multiple chapters in the review of the literature is necessary for clarity, as the review encompasses copreneurial literature, family business literature, male/female entrepreneurship literature, and literature relevant to the development of a conceptual “system” model used in the thesis.

- Chapter 2 describes the systematic process used to assemble and analyze articles for the literature review, which encompasses the extended literature from family business, entrepreneurship and copreneurship.
- Chapter 3 examines the foundational system issues in the literature, identifying the need for system-level, multi-disciplinary research that encompasses both the business and the family. Related issues of definition and population in both family business and copreneurial research highlight the need for clarity in research design, supporting justification of sample selection of full-time, first-generation copreneurs. Research on both copreneurs and general family business are included in Chapter 3 to provide a comprehensive review of foundational issues.
- Chapter 4 presents a discussion of the broader set of family business system research, revealing the macro, meso and micro issues represented in the literature and the need for inclusion of business, family and individual components in the conceptual model developed for the thesis. The review of family business, entrepreneurship (male/female) and copreneurship research anchors the thesis in literature relevant to copreneurs as (1) a single, homogenous family-business typology (2) a

dual-career entrepreneurial couple; and (3) a distinctive subset of family business.

- Chapter 5 summarizes a chronological review of 31 seminal articles specific to copreneurs, including an analysis of discipline, definition, methodologies and findings – necessary in identifying gaps in the copreneurial literature and the methodologies used. The emerging nature of copreneurial literature is apparent, revealing numerous gaps at the system and sub-system level, with multi-disciplinary research lacking in the literature. The chapter ends with a discussion of the significance of copreneurs as a unit of analysis, with their inclusion based on five three-circle models from the family business literature.
- Chapter 6 develops the Conceptual Model of the Copreneurial Enterprise -  
- a comprehensive model based on five seminal family business models and five seminal research streams. The chapter anchors the model within the research, incorporating both stages of business development over time *and* sub-system domains of business, family and individual -- reflecting the conceptual model's appropriateness for use in the thesis.
- Based on Chapters 3-6, Chapter 7 develops the qualitative research methodology used to gather data from copreneurs over time (20+ years) through six stages of business and family development and growth. A qualitative, constructivist-interpretive approach and methodology are justified based on the gaps in the copreneurial literature and gaps in the methodology used in previous copreneurial studies, which indicate a lack of system research and progress toward a comprehensive *model of the copreneurial enterprise*.

- Chapter 8 presents the results of two analyses: (1) A manual theme-category analysis of the data (interviews), revealing 11 themes over six stages of the model; and (2) An in-depth NVivo analysis of the same data, identifying 40 nodes and 21 additional findings over six stages of the model. The chapter concludes with an Operationalization of the Conceptual Model of the Copreneurial Enterprise based on the two independent analyses, revealing substantial depth and detail in the holistic system and sub-systems represented in the conceptual model.
- Chapter 9 presents comprehensive findings and discussion from Chapter 8 relative to family business, entrepreneurial and copreneurial literature, including the identification of four optimizing structures based on sub-systems from the model. The chapter concludes with the development of The Model of Harmonized Copreneurial Enterprise Management, a holistic system model that incorporates the four optimizing sub-system structures and portrays their relationship to growth and sustainability of the enterprise over time.
- Chapter 10 presents conclusions to the thesis including implications, limitations and suggestions for future research toward development of a *theory of the copreneurial enterprise*.

## **1.6 CONTRIBUTION TO THE LITERATURE**

The thesis contributes to the literature in two substantial ways:

1. For the first time, a conceptual model is developed and empirically tested to explore the copreneurial enterprise from pre-start-up through maturity, incorporating the three domains of business, family and individual. The examination of boundaries and integration, allocations and trade-offs, and evaluation and decision-making, reveal rich interrelationships from a holistic “system” view not previously reported in the literature.
2. The thesis reveals optimizing structures exist in copreneurial enterprises, not based on best practices, but incorporating bundles of personal attributes, organizational elements, reciprocal relationships, and enterprise culture in an environment that sustains growth toward profitable businesses, functional families and the fulfilled individuals. The thesis produces an outcome model – the Model of Harmonized Copreneurial Enterprise Management – representing a system structure not reported previously in the literature.

## **1.7 LIMITATIONS**

The qualitative thesis explores a small homogenous sample based on a narrow definition of “copreneur” and a single family business typology within a single country. Participants are mature-age (49-75) and businesses are full-time enterprises. Findings may have limited generalizability to other groups, including part-time copreneurs.



Chapter 1 provided an overview of the thesis, including theoretical background, aim, scope, structure, contribution and limitations. Chapter 2 describes the systematic process used in the review of the literature.

## **Chapter 2: Literature Review Process**

### **INTRODUCTION**

The purpose of this chapter is to describe the systematic process used in the comprehensive search, review and analysis of the family business, copreneurial and male/female entrepreneurship literature. The objective is to describe the steps used to review and analyze the literature prior to identifying gaps and formulating the research question. Section 2.1 presents a chronological framework of the nine stages utilized to assemble and evaluate the comprehensive body of seminal literature relevant to this thesis. Section 2.2 describes each stage in more detail, including the logic for the framework, and focuses on documenting the systematic search, review and analysis processes. A comprehensive presentation and discussion of the literature content generated from this systematic process is addressed in Chapters 3-6. The systematic review of three related areas of literature: (1) family business; (2) copreneurship; and (3) male/female entrepreneurship was necessary to capture the diversity and complexity of topics represented in the copreneurial enterprise system – an emerging area of research with a limited lineage of publications specific to copreneurs.

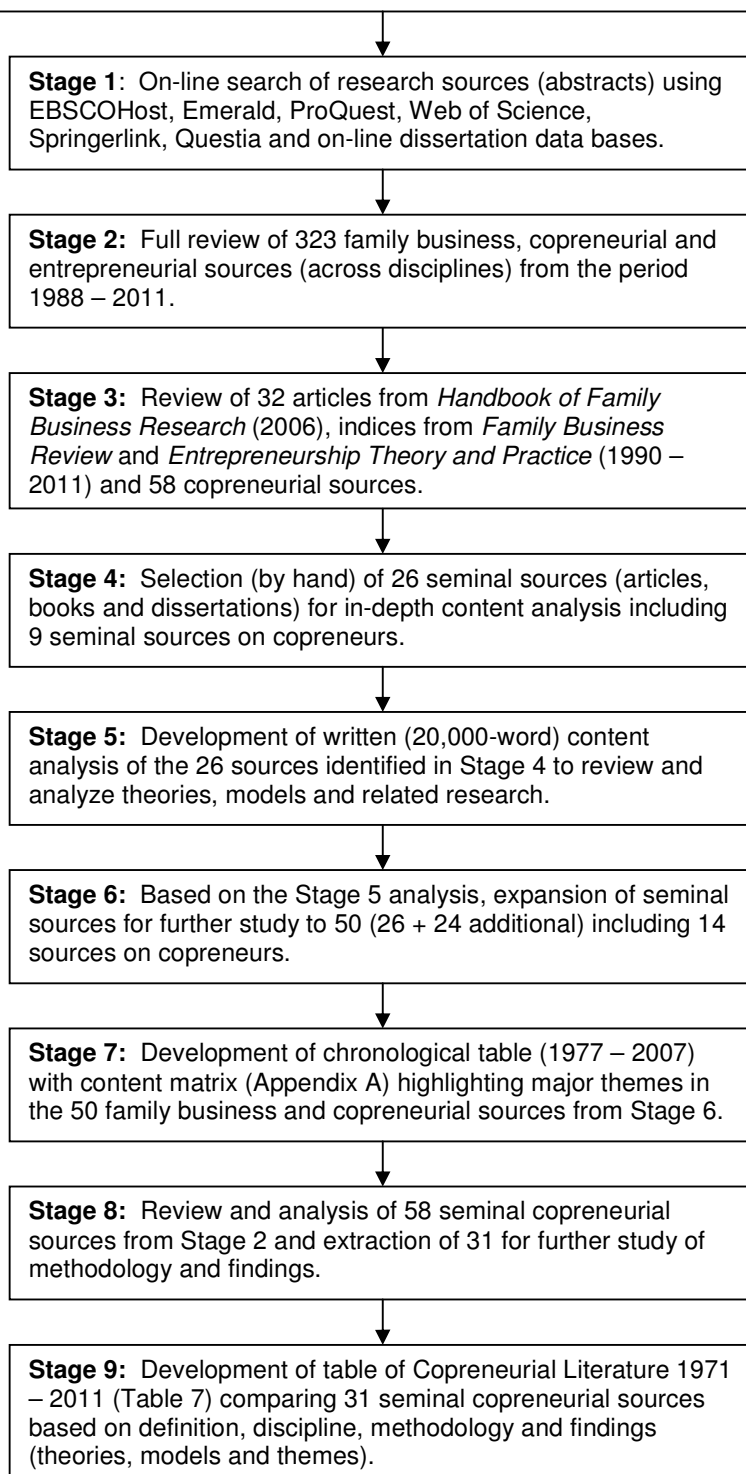
### **2.1 PROCESS CHRONOLOGY**

The function of the literature search and review is to discover what has been written on the topic, clarify issues, illustrate gaps in the existing bodies of knowledge and theory, and refine the research questions and hypotheses (McMurray, Pace & Scott 2004). The authors suggest critically examining national and international literature across disciplines (e.g. social sciences,

business management, psychology, organizational behavior, communication). A systematic review of the literature was conducted in nine stages (Table 1) for the purpose of assembling a comprehensive list of both macro and micro issues for consideration in formulating the thesis research question. The nine stages reflect four key areas: (1) an initial examination of a broad foundational set of articles and books; (2) an in-depth analysis of a subset of those works; (3) the subsequent addition of other seminal works based on the in-depth analysis; and (4) a second reduction of works to be analyzed. Each step is explained in more detail in Section 2.2.

[continues on following page]

**Table 1: Systematic Framework for the Review of Family Business, Copreneurial and Entrepreneurial Literature**



Source: Author, based on search of sources (sources include academic articles - conceptual, theoretical and empirical – and academic and non-academic books).

## 2.2 DESCRIPTION OF PROCESS STAGES IN THE LITERATURE REVIEW

**Stage 1:** McMurray, Pace and Scott (2004) suggest the use of key descriptors at the outset of a literature search. Therefore, a systematic search was conducted across disciplines using search strings (Table 2 and Table 3) with international on-line data bases including EBSCOHost, Emerald, ProQuest, Web of Science, Springerlink and Questia data bases and the on-line international dissertation and thesis data base (RMIT University):

**Table 2: Search Strings for Family Business Literature**

Family business
Family business management
Family business strategy
Family business entrepreneurship
Family business enterprise
Family business <i>and</i> gender
Family business <i>and</i> male
Family business <i>and</i> female

Source: Author

**Table 3: Search Strings for Copreneurial and Entrepreneurial Literature**

Copreneur*
Couple* <i>and</i> Business
Co-Entrepreneur*
Married <i>and</i> Business
Entrepreneur* <i>and</i> Couple
Entrepreneur* <i>and</i> Married
Entrepreneur* <i>and</i> Gender
Entrepreneur* <i>and</i> Male <i>and</i> Female

Source: Author

The first six search strings in Table 3 (copreneur; couple\* *and* business; co-entrepreneur\*; married *and* business; entrepreneur\* *and* couple; and entrepreneur *and* married) – which are all specific to the focus of the thesis – initially produced only 48 non-overlapping articles, dissertations and books. Thus, the topic was considered an “emerging” area of family business research. Consequently, the decision was made to review and analyze broader topics from general family business and male/female entrepreneurship literature in Stages 2-9. This was necessary to produce a saturation point in the literature review at Stage 9.

**Stage 2:** A review of abstracts was conducted and 235 full sources from general family business, 58 sources from copreneurial business and 30 sources from male/female entrepreneurship (a total of 323) were reviewed and considered for inclusion in the literature review. The family business sources were selected for further study to gain general background and specific research knowledge on family business issues relevant to copreneurial research. The male/female entrepreneurship sources were selected to gain background and specific research knowledge on individual male and female entrepreneurs, as copreneurs encompass two entrepreneurs working together in one business enterprise (see Section 3.4 on Definitions)

**Stage 3:** Based on information gained during the general review, journals and other comprehensive publications were identified that publish family business research. A search of three publications was conducted: (1) 32 articles from *The Handbook of Research on Family Business* (Poutziouris, Smyrnios & Klein 2006,

in association with IFERA, the International Family Enterprise Research Academy) were reviewed to identify current major themes, models and seminal authors in family business research; (2) the archives of *Family Business Review*, the publication of the Family Firm Institute (FFI) were reviewed and selected articles were identified for further study; and (3) the archives of *Entrepreneurship Theory and Practice* were searched for articles on family business entrepreneurship.

**Stage 4:** Based on the review in Stages 2 and 3, 26 articles, books and dissertations were selected for in-depth analysis, including 15 sources on general family business, nine sources on copreneurs and 2 sources on male/female entrepreneurs. Since the purpose of this extraction was to gain a greater depth of understanding of general family business, copreneurial and entrepreneurial articles, inclusion was based on articles that demonstrated (1) meta-analyses of the literature; and/or (2) background development and use of family business models; and/or (3) depth in an area of interest common to both family business, copreneurship and entrepreneurship (e.g. gender in family business and entrepreneurship).

**Stage 5:** An in-depth content analysis (20,000 words) was conducted on the 26 sources highlighting findings, cited authors, models, theories, and common themes such as work-family interface, strategic planning and conflict.

**Stage 6:** Based on the review and the identification of additional seminal authors, theories and models, 24 sources were added for a total of 50 (26 + 24 =

50) identified as core to understanding the lineage of family business, copreneurship and male/female entrepreneurship.

**Stage 7:** An in-depth thematic review of the 50 sources identified six sub-themes that appear consistently in the family business and entrepreneurial literature *and* are relevant to the copreneurial literature: (1) strategic management; (2) work-family interface; (3) gender; (4) conflict & tension; (5) success (sustainability); and (6) models. A seventh sub-theme – copreneurs – was included as it is the focus of this dissertation. A chronological table highlighting the 50 articles and content areas they encompassed is included in this thesis as Appendix A. The purpose of constructing this table was to gain a comprehensive knowledge of family business, copreneurial and male/female entrepreneurial literature and the sub-categories common to both.

**Stage 8:** In Stage 8 of the literature review the original 58 copreneurial articles from Stage 2 were re-evaluated based on the new knowledge acquired during Stage 7. Twenty-four of the 48 were identified as seminal articles in copreneurial research for further analysis. Because the definition of copreneur varied somewhat in the literature (this is addressed in Section 3.4 and Section 5.1), the Barnett and Barnett (1988) definition was used as a benchmark when screening articles for further study (i.e. life partners who also share a business venture as equals). Excluded were studies of couples who owned separate businesses (co-entrepreneurs) or worked together as employees of a company they do not own (dual-career couples working at the same company) and those who were not life partners (i.e. father/daughter and non-related male/female owners).



Although Barnett and Barnett (1988) studied full-time copreneurs and their sample included couples throughout the U.S. in both manufacturing and service businesses located in urban and rural areas, it was not feasible to limit sources reviewed from the literature to studies of full-time couples only. Two reasons are that a number of seminal studies of copreneurs either specifically include part-time copreneurs or do not specify if the copreneurs were full-time or part time (this will be addressed in Section 3.4 on Definitions and Chapter 7 – Methodology). Furthermore, a number of seminal copreneurial studies focused on single-industry copreneurs (psychologists, lawyers) *and/or* were based on a sample from a single region. Therefore, in order to gain a comprehensive picture of the copreneurial literature, a wide latitude was allowed, with the exceptions described at the end of the preceding paragraph. For example, the criteria for selecting literature was expanded to include studies of both full-time and part-time copreneurs. An extended discussion of definitions in general family business literature is presented in Section 3.3.

**Stage 9:** Stage 9 of the Review of the Literature achieved a saturation point on topics that were relevant to the thesis and necessary for identifying gaps in the literature and formulating the research question. Stage 9 concluded with the development of a comparative analysis of 31 (of 58) selected copreneurial sources (1971-2011) with information compiled on definition, sample, discipline/instrument, and findings (theories, models and common themes). This analysis will be discussed in more detail in Chapter 5. A summary table is presented on the following page:

**Table 4: Summary of Copreneurial Literature (1971 – 2011)**

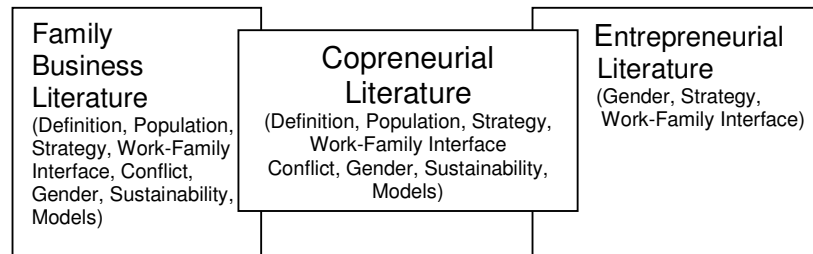
<b>Country</b>	<b>Discipline</b>	<b>Method</b>
U.S. (25) New Zealand (2) Australia (1) U.K. (3)	Business (17) Psychology (5) Family Therapy (3) Sociology (3) Cultural Anthropology (1) Communication (1) Popular Press (1)	Qualitative (12) Quantitative (12) Mixed-Method (3) Not based on a study (4)

Source: Author

Articles were primarily from the discipline of business (17 of 31) with the balance from psychology (5); family therapy (3); sociology (3); cultural anthropology (1); communication (1) and popular press (1). Twelve were qualitative studies; 12 were quantitative; three were mixed-methods; two were theoretical; one was conceptual; and one summarized the popular press on copreneurs. A detailed analysis of the table appears in Chapter 5.

The search, review and analysis produced a saturation point at which seminal authors were identified and critically examined in family business, copreneurship and male/female entrepreneurship. Through the literature review and analysis, it was uncovered that the literature on copreneurs bridges issues seminal to both family business and entrepreneurship. Blenkinsopp and Owens (2010) recently proposed that the study of copreneurs may inform the study of family business – as copreneurs represent the smallest unit of analysis in family business with links to entrepreneurship. Figure 1 illustrates the relationship between the three broad areas (family business, copreneurial and entrepreneurial literature) and the sub-topics reviewed.

**Figure 1: Related Areas of Literature Search, Review and Analysis**



Source: Author

In summary, the systematic review of the literature was conducted to facilitate a comprehensive approach to analyzing the research literature addressing family business, copreneurship and male/female entrepreneurship. In Chapters 3-6, the literature content and discussion is presented in detail as follows:

- Chapter 3: Foundations, Definition and Population
- Chapter 4: Issues in Family Business, Entrepreneurship and Copreneurship
- Chapter 5: Analysis of Copreneurial Research
- Chapter 6: Conceptual Model Development

Two foundational issues common to both family business and copreneurship *and* relevant to the research question and methodology – definition and population – are discussed in Chapter 3.

## **Chapter 3: Foundations, Definition and Population**

### **INTRODUCTION**

The purpose of Chapter 3 is to present a broad overview of foundational elements in family business sustainability in preparation for the detailed literature review and analysis presented in Chapter 4 and to position copreneurs as a significant group within the research discipline.

The task of organizing the presentation of literature for this thesis is complex due to the large number of individual elements represented in the “system” of copreneurial enterprises. As previously noted, copreneurs represent the domains of both family business and individual (male/female) entrepreneurs.

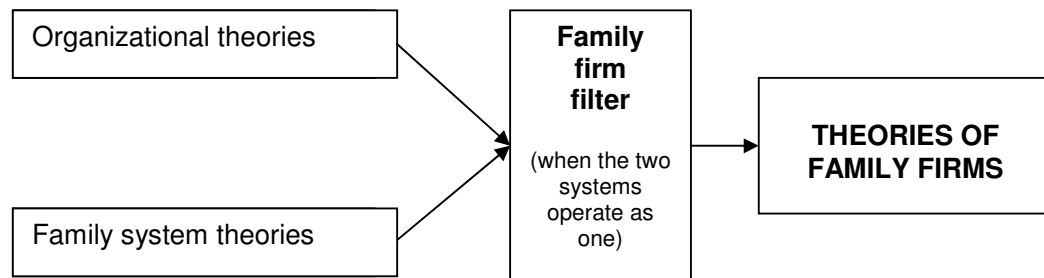
As a starting point for an extensive literature review, Chapter 3 presents a “brief” introduction to broad foundational issues, followed by a more in-depth discussion of the specific issues of definition and population of family businesses in general and copreneurs as a specific subset. Section 3.1 presents an overview of the theoretical foundations of family business. Section 3.2 presents an overview of family business sustainability research. Section 3.3 uncovers literature on the definitional dilemma in family business research. Section 3.4 builds on the definition issue as it relates to copreneurs. Section 3.5 discusses population issues in copreneurial research.

### **3.1 THEORETICAL FOUNDATIONS IN FAMILY BUSINESS RESEARCH**

The family business research literature predominantly falls into the two theoretical branches of Organizational Theories and Family System Theories (Sharma

2004). This dual-system theoretical construction has created a multi-disciplinary research arena for researchers from the disciplines of Business (Organizational theories), Psychology and Sociology (Family system theories).

**Figure 2: Toward the Development of Theories of Family Firms**



Source: Sharma (2004)

According to Sharma (2004), family business research studies fall into three broad areas of inquiry:

1. The definition of family firms;
2. Their source of distinctiveness as a field; and
3. The different facets of family firm performance.

Sharma's (2004) three areas of inquiry provide the structure for Chapters 3, 4 and 5, which address *both* family business and copreneurial research fields. As discussed in Chapter 2, the inclusion of both research fields was to achieve a more comprehensive and robust review and analysis of the system (macro) and individual (micro) components seminal to understanding copreneurial enterprises – which the literature shows as being a subset of family business, comprising male and female entrepreneurs in a jointly-managed business (Blenkinsopp & Owens 2010).

### 3.2 AN OVERVIEW OF FAMILY BUSINESS SUSTAINABILITY RESEARCH

The empirical study of sustainability, or success, of a family business is a relatively new but important focus of the field of family business entrepreneurship (Heck et al. 2006; Winter et al. 1998). The term “sustainability” as used in family business literature comprises the requisite determinants of “functional families and profitable businesses” (Stafford et al. 1999, p. 197). The importance of *both* the family *system* and the family *business* to long-term success and survivability continue to be the key focus of family business research (Astrachan 2010; Collins & O'Regan 2011; Zachary 2011). The issue of “optimal integration of family and business subsystems” is a primary challenge for researchers (Heck et al. 2008, p. 325). According to Poza (2010, p. 17) three areas of importance underpin family business sustainability:

1. Jointly optimizing the ownership, management, and family subsystems;
2. Controlling agency costs; and
3. Ultimately exploiting the unique resources available to family businesses in order to achieve competitive advantage.

The discipline of family business research is less than 40 years old. According to Poza (2010) the field of study of family enterprises and sustainability began in 1975 with the publication of *Beyond Survival: A Guide for the Business Owner and His Family* (Danco 1975) followed by the publication of a special issue of the journal, *Organizational Dynamics* (1979), and the launching of a specialized journal, *Family Business Review*, in 1988.

It was only in the last decade that *The Journal of Business Venturing* introduced a new area of study – family business entrepreneurship and venture creation (Astrachan 2003). In the same issue, Olson et al. (2003) published “The Impact of Family and the Business on Family Business Sustainability,” a paper described as “[exemplifying] what is at the heart of the family business field: the reciprocal impact of family on business” (Astrachan 2003, p. 570). More recently, the introduction of two new family business journals: *Journal of Family Business Strategy* (2010) and *Journal of Family Business Management* (2011) confirm *both* business and family as integral elements in the current research arena. Astrachan (2010), the founding editor of the *Journal of Family Business Strategy*, notes:

Family businesses sit at the intersection of commerce and family, and as such have unique characteristics, opportunities and threats. These distinctive elements, from their different managerial behavior, to leveraging the family name, are all strategic issues that *JFBS* seeks to address (p. 1).

The reciprocal impact between business and family has been studied in copreneurial ventures by Barnett and Barnett (1988); Blenkinsopp and Owens (2010); Cole and Johnson (2007); Danes and Olson (2003); Foley and Powell (1997); Jaffe (1990); Kranendonk (1996); Marshack (1994); Millman and Martin (2007); Muske, Fitzgerald and Haynes (2003); Rosenberg (1991); Smith (2000) and others. However, with the exception of work done by Muske and Fitzgerald (2006) and Welk, Fitzgerald and Muske (2011), to date little attention has been given to *sustainability* (i.e. family functionality and business profitability) of a copreneurial venture *over time*. The current majority of copreneurial business

research is largely based on anecdotal evidence, loosely defined qualitative studies, and conceptual proposals, rather than clearly articulated research questions using theoretical frameworks tested empirically in the field with the aim of building a *theory of the copreneurial firm*. An in-depth discussion of copreneurial research is presented in Chapter 5.

While the larger set of family business literature provides a research lineage on sustainability as a topic, a comprehensive *theory of the family firm* has not emerged and the field is characterized by low paradigmatic development (Craig et al. 2009). The system view is often perceived by researchers as a Gordian knot of intermingled “family” and “business” issues – strategy, finance, operations, culture, values, and relationships too complex to navigate toward holistic system-theory development.

Sharma’s (2004) review of 217 refereed articles on family business studies concluded that the predominant focus of the literature was on one-level rather than complex-level theorizing. She further observes that conceptual models to understand the nature, causes and long-term implications of these issues are in their infancy. This was confirmed by Chrisman, Sharma and Taggar (2007) as an ongoing, undeveloped area of research with the observation that “well-conceived, holistic multi-level models are necessary to provide a more integrated understanding of family firm phenomena” (p. 1009). The chronological development of family business models is presented in more detail in Chapter 6.



### 3.3 DEFINING THE FAMILY FIRM

A common definition of *family business* has both eluded researchers and provided more than 20 years of robust dialogue on who to include in the population of family businesses. The question first posed by the founding editors of *Family Business Review* – “What is a family business?” (Lansberg, Perrow & Rogolsky 1988, p. 1) – has inspired debate, but not consensus. Researchers concede that the issue remains complex, elusive and unresolved (Astrachan, Klein & Smyrnios 2006; Astrachan & Shanker 2003; Dyer 2003; Litz 1995; Moores 2009; Sharma 2004; Poza 2010; Westhead & Cowling 1998). A universally accepted definition has not emerged and it is therefore important for researchers to describe their research subset of family business in detail (Kraus, Harms & Fink 2011; Wang 2010).

The heart of the issue is what distinguishes family firms from non-family firms, with sustainability a key outcome, as evidenced by Chua, Chrisman and Sharma’s (1999) broad definition of a family firm, still considered a standard in the literature (Craig et al. 2009):

A business governed and/or managed with the intention to shape and pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families (p. 25).

Chua, Chrisman and Sharma (1999) in their review of 21 definitions gleaned from 250 articles (1964 – 1994) summarize that, “outside of a firm owned and

managed by a nuclear family, there appears to be extensive disagreement on what constitutes a family business” (p. 15). The authors contend it is the issue of “uniqueness” of family firms that differentiates this field and makes it worthy of study and suggest a theoretical distinction based on *vision* and *intention* captures the essence of a family business. Single, multiple and integrative dimensions of ownership and management appear in the literature, supporting a growing list of 30 definitions (Litz 2008).

Research into “uniqueness” extends beyond simple components of family involvement – ownership, management, governance and succession – to include factors such as behavior, intent, vision, and the role of non-family members in both ownership and management (Sharma 2004) constituting an area in need of further research (Chrisman, Chua & Sharma 2005). The emerging concept of “familiness” based on the Resource-Based View (RBV) (Habbershon & Williams 1999; Habbershon, Williams & MacMillan 2006) has gained attention in the literature, producing new theoretical viewpoints based on the leverage of social capital and family sociology as a distinction separating family business from non-family business (Craig & Moores 2005; Ensley & Pearson 2005; Irava & Moores 2010; Lester & Canella 2006; Pearson, Carr & Shaw 2008). However, RBV is a construct still in the early stages of research and empirical validation (Sharma 2008).

The *definition-of-a-family-business* issue presents in the literature initially as (1) a continuum based on components of involvement – from small businesses owned and managed by one nuclear family to publicly-owned corporations passed down

through successive generations – followed by (2) new quasi-definitional distinctions based on unique factors of “familiness” integral to competitive advantage. Although a one-size-fits-all definition does not appear realistic, two methods of defining family business for purposes of research methodology (Stakeholder Mapping and F-PEC) have appeared in the literature as an attempt to resolve the ambiguity in the definitional issue toward enhanced research validity (Astrachan, Klein & Smyrnios 2006; Holt, Rutherford & Kuratko 2010; Rutherford, Kuratko & Holt 2008; Sharma 2002). Measurement techniques have gained ground among researchers as a means to explore businesses on a continuum of involvement (Klein, Astrachan & Smyrnios 2005).

### **3.3.1 Definition vs. Category**

Researchers (Astrachan, Klein & Smyrnios 2006; Sharma 2002) have theorized that a common set of definitional criteria may not be a necessary prerequisite to conducting research and have suggested alternatives to definitions by exploring other categorical measures (e.g. stakeholder mapping and F-PEC Index of Family Influence) to compare firms within the family-business research field (Astrachan, Klein & Smyrnios 2006; Holt, Rutherford & Kuratko 2010; Klein, Astrachan & Smyrnios 2005; Rutherford, Kuratko & Holt 2008; Sharma 2002). The two alternative views are presented for discussion.

#### *Stakeholder Mapping*

Sharma (2002) drew upon the work of McKelvey (organizational systematics – 1982); Darwin (classification systems – 1859/1958); and Miller and Friesen (configurations and common themes – 1984) to map 72 distinct non-overlapping

categories (stakeholder configurations) of family firm within the widely-accepted overlapping three circle model comprising *family membership, ownership, and management* (Lansberg 1988; Gersick et al. 1997). The mapping specifically included non-family members as stakeholders in family firms, beginning with the distinction of four different types of *owners*:

- 1) family member owner and manager;
- 2) family member owner (not involved in the operation of the business);
- 3) employee owner who is not a member of the family; and
- 4) non-family owners (not involved in the operation of the business).

Sharma (2002) added four levels of *family involvement* and two types of *non-family employee involvement* in developing the 72 classifications. The objective was to establish a classification system that could be used to compare firms with common structures (ownership, management, involvement). Sharma (2002) observes, "...it is difficult to have confidence in our research findings that may be based on samples that are a hodge-podge of different types of firms" (p. 13). In delineating the wide range of classifications, Stakeholder Mapping confirmed the heterogeneity of family business structures and the importance of clarity in definition and sample in family business research.

The importance of differentiation of *family-owned* from *family-managed* has received support from researchers (Holt, Rutherford & Kuratko 2010), with Block (2010) providing empirical evidence of the difference between family-owned, family-managed and nonfamily firms relative to downsizing among S&P 500

companies in the U.S. (i.e. family-owned companies were less likely to make deep cuts, even in times of low profitability).

#### *F-PEC Index of Family Influence*

A second approach in the development of alternate classification systems for family business research was offered by Astrachan, Klein and Smyrnios (2006) with the F-PEC (Family–Power, Experience and Culture) index of family influence. This differed from Sharma's (2002) Stakeholder Mapping in that it did not rely on stakeholder configurations and pre-classification into categories. Astrachan, Klein and Smyrnios' (2006) analysis of the literature on definitions revealed three principal definitional paradigms – content, purpose and form – with content the predominant focus. Building on the work of Shankar and Astrachan (1996) on family involvement, they developed a questionnaire based on three scales (Power, Experience, Culture) that measures family *influence* as represented in key foundational areas of Power (ownership, governance, management); Experience (active and contributing family members); and Culture (values and commitment). The result was a standardized, 23-question instrument – a questionnaire-based index that measures the extent of family influence on any enterprise (irrespective of stakeholder classification). They summarized that it not only includes the theoretical foundations of family business but also circumvents the need for a precise *definition* of family business. According to Astrachan, Klein and Smyrnios (2006), “it enables sound comparisons across investigations and use of measures of family influence as either dependent, independent, moderating, or mediating variables” (p. 173). The authors noted the added value in international research through lessening the

need for cross-national definitions before research can begin. Testing of F-PEC is noted in the literature (Klein, Astrachan & Smyrnios 2005) with revisions suggested (Holt, Rutherford & Kuratko, 2010; Rutherford, Kuratko & Holt 2008). Application of F-PEC in the field indicates empirical support for validity and reliability (Klein 2003; Pieper 2003; as reported by Klein, Astrachan & Smyrnios 2005).

The intent of both stakeholder mapping and F-PEC is to provide researchers with new, systematic alternatives to the current practice of creating their own definitions – a trend that has left the field fragmented, with weak research applicability to the broader population of all family businesses. In addition, there is a need for family business research to include atypical firms that would fail a traditional test of ownership or management (e.g. a family business that goes public but retains the name and influence of the founding family and its successors). Both stakeholder mapping and F-PEC are clear and distinct ontological measures. They are part of an important discussion, which continues in the literature (Chrisman et al. 2010). The current standard remains *definitional*, but at least these two alternative views have provided important areas of discussion and new ways of categorizing family businesses should researchers choose to employ these methods.

### **3.3.2 Resolving the Definition Issue**

The need to resolve the issue of definition has been noted by researchers for 20 years, with the aim of improving applicability to family business practices across businesses with similar attributes. Westhead and Cowling (1999) reinforced

Handler's (1989) original assertion in summarizing that, "the presentation of clear and justified family firm definitions would allow the results from one study to be compared with those using the same definition in another locational, industrial, or cultural setting. It would allow more longitudinal studies to be conducted" (p. 50). However, as previously noted, researchers "continue to disagree over the definition of a family business" (Chrisman, Chua & Sharma 2005, p. 555).

Melin and Nordqvist (2007), in commenting on the institutionalization of the family business category of organizations, reinforced the value in creating separate categories within family business during the research design phase. They argue that separate categories mitigate the risk of overemphasizing the similarities and downplaying the important differences within the general field of family business. They cite differences in ownership structure; generations in ownership and management; size; family involvement; and family structure as important to consider in research design. The authors cite Habbershon and Williams (1999) convincing argument that, "the uniqueness inherent in many family businesses even can constitute a source of competitive advantage" (p. 324) and suggest that the use of separate categories supports the uncovering of this uniqueness.

In sum, any classification system that creates the opportunity for more homogenous samples and more focused, relevant research – and both delineates differences and includes the broadest spectrum allowable for applicable results – is good for family business research in general. The only caution is to ensure the form is appropriate to the function of the research. In most cases definitions (although imperfect) are the standard.

### 3.4 DEFINING THE COPRENEURIAL FAMILY BUSINESS

Based on the most exclusive and distinctive definition of a family business – *a firm owned and managed by a nuclear family* (Sharma 2002) – copreneurs clearly represent a subset of family business and a defined category based on simple *components of involvement* (i.e. ownership and management). The term *copreneur* was coined by Barnett and Barnett (1988) for their qualitative study of 25 couples “who were in twenty-four-hour-a-day business and personal partnerships, and whose business relationships were *outwardly equal*” (p. xxi). Barnett and Barnett (1988) summarized that copreneuring is based on trust, equality, sharing, and intimacy between partners and reflects a life style that incorporates both work and personal worlds. Their study focused on the entrepreneurial relationship, not aspects of love and romance.

Through 20 years of subsequent studies of copreneurs, researchers have “quoted” the essence of the Barnett and Barnett (1988) definition and the authors are solely credited in the majority of articles after 1988 (e.g. Laurence 1990 – Blenkinsopp & Owens 2010). This consensus among copreneurial researchers clarifies the definition issue for this particular group *in theory*. The most recent analysis of copreneurial definitions (Fitzgerald & Muske 2002) credited Barnett and Barnett (1988) as having coined the term. Fitzgerald and Muske’s (2002) comprehensive list of definitional criteria from 1971 to 1993 included shared entrepreneurial venture, ownership, commitment, responsibility, management, shared risk, egalitarian, intertwined worlds, and partnerships – all consistent with the original Barnett and Barnett (1988) definition. However, *in practice*, research criteria have varied on the requirements for number of hours per week worked in



the copreneurial business, the role of the spouse, and also the allowance for additional outside employment (See Table 7, Section 5.1.1).

Acknowledging Barnett and Barnett (1988) as coining the term “copreneur”, Fletcher (2010) differentiated ownership and management dimensions among a sample of 26 companies under study within the broader population of “couples in business,” revealing similar typology issues as found in the general family business literature (Sharma 2002). Fletcher (2010) identified nine possible types of firms (typologies) described as “co-preneurial situations”. The author’s matrix of constructs based on the axes of *ownership control* and *management roles* carried the broad label “Roles of Couples and Families in Business Venturing (adapted from Litz (1995)” with typology categories including

*Type 2: Co-preneurial management*: Spouses who do not have a formal role in the ownership of the business but act ‘at the periphery’ stepping in and out of the business.

*Type 4: Co-preneurial ownership*: A couple jointly owns the business but only one spouse is involved in the daily management of the business (the other has their own job/career).

*Type 5: First-generation (classic) copreneurship*: A couple jointly own the business and are jointly involved in managing the business.

*Type 6: Intergenerational co-preneurship*: A couple owns the business and wider family members manage the business.

In Fletcher’s study, only *Type 5: First-generation (classic) co-preneurship* preserves the essence of the Barnett and Barnett (1988) definition where the owner

and spouse share full-time management *and* ownership roles. The similarity with Sharma's (2002) Stakeholder Mapping of 72 typologies is apparent in Fletcher's research, highlighting the potential for heterogeneity within samples of couples in family business. Variation among samples exists in the copreneurial literature, and Fletcher's (2010) typology serves to educate copreneurial researchers on the potential for diversity (heterogeneity) in the population depending on the definition used.

As previously noted, the definition of copreneur that Barnett and Barnett (1988) coined is universally cited in the academic copreneurial literature and constitutes one homogenous typology based on Sharma (2002). Several reasons may impact past researchers' choice to use different parameters when choosing samples: (1) Barnett and Barnett (1988) did not publish their findings in the academic literature and the book describing their sample is no longer in print; (2) Researchers have followed the lead of previous academic authors in citing Barnett and Barnett (1988) for purposes of definition but not in determining samples; or (3) The definition debate recently raised by Fletcher (2010) has not yet impacted sample decisions among copreneurial researchers. The population is discussed further in Section 3.5 and the need for distinct and homogenous samples based on clear definitions is discussed in further detail in Chapter 7.

Carefully following Barnett and Barnett's (1988) parameters to guide sample selection alleviates some of the previously noted questions raised by family business researchers concerning definition complexity and weak applicability across subgroups in heterogeneous samples. In addition to meeting the

definitional standard of one distinctive type of family business, these “classic” copreneurs (Fletcher, 2010), meet the structural standard for a single group as described in *Stakeholder Mapping* (i.e. a firm owned and managed by a nuclear family; Sharma 2002) and would also qualify as a sub-category under F-PEC (Astrachan, Klein & Smyrnios 2006) by virtue of the entrepreneurial couple’s shared power, experience and culture.

In addition, this discussion meets the guidelines suggested by Dyer (2003) on how to manage the often pervasive and daunting task of definition:

- Clearly define family and family firm.
- Cite definitions used by other researchers.
- Be sensitive to contextual factors. They may create unique opportunities to ascertain the “familiness” of an organizational setting (p. 412).

Following Dyer’s (2003) guidelines, copreneurs are identifiable both by definition and “context” (i.e. a business owned and managed by two members of the same nuclear family who are also life-partners). In sum, they represent both definitional homogeneity and structural homogeneity based on the Barnett and Barnett (1988) definition. However, as evidenced by Fletcher (2010), the wider net of “couples in business” exists in the literature and not all researchers may strictly follow the original definition. There is no evidence that measurement techniques such as F-PEC are applied in copreneurial research.

The inclusion of full-time and part-time copreneurs and other co-entrepreneurial constructs outside the Barnett and Barnett (1988) definition in samples was

considered carefully by the researcher as an area of potential heterogeneity in the thesis sample. To preserve homogeneity and enhance validity and reliability in the testing of the conceptual model, this thesis focuses on full-time “classic” copreneurs only, and outcomes are primarily for the benefit of this one segment of family business. The aim of this thesis is to produce deep and meaningful research on one subset of family business where decision-making is primarily in the hands of two equal members of the same nuclear family. The full-time parameter for the sample also mitigated the possibility that interview responses to questions on factors such as commitment, trust, and shared risk may vary with the level of involvement (full-time vs. part-time). Choosing only full-time copreneurs as participants limited variation in responses based solely on hours worked. These decisions impacted the scope of the thesis and allowed for greater depth of inquiry and analysis for the sample of copreneurs.

The following definition developed for this thesis and used to determine methodology and instrument incorporates the essence of the original definition by Barnett and Barnett (1988, p. xxi):

A copreneurial enterprise is a first-generation, full-time business owned and managed by two people who consider themselves life partners and co-founders of a business where relationships are *outwardly equal*.

Further, as defined by Barnett and Barnett (1988), the copreneurial enterprise is a venture “based upon the firm foundation of the family unit as an economic enterprise, in which the couple’s individual energy, experience, vision, and sense

of purpose are combined into a partnership based on trust, equality, sharing and intimacy” (p. 3).

Although Barnett and Barnett interviewed only male-female couples, same-sex life partners were not *specifically excluded* from consideration as copreneurs. However, they were not included in this thesis because of the need for homogenous (i.e. dual-gender) sample characteristics among the couples studied.

### **3.5 THE COPRENEURIAL POPULATION DILEMMA**

Although the definition dilemma is substantially resolved through use of one typology based on the Barnett and Barnett (1988) definition, a companion issue – the size and composition of the population of copreneurs – was difficult to estimate as census data has not been collected using criteria based on an established definition of a “copreneur” (Pratt 2002, 2009) and computations estimating the population are ambiguous.

- Family businesses in the U.S. account for two-thirds of all businesses (Montgomery & Sinclair 2000). Of 27 million total U.S. businesses, it follows that 18 million are family owned. Small Business Administration (SBA 2007) figures indicate that 2.7 million businesses (10%) are equally owned by men and women. However, the SBA does not record how many of the 2.7 million co-owners are co-habiting partners, which means that they could be family businesses, or businesses run by unrelated male and female owners. In addition, not every copreneurial couple registers both partners as business owners.

- Thompson (1990) estimates the population at 1.5 million businesses. Muske and Fitzgerald (2006) suggest it is much higher based on their research that 30% of their sample (from 1997) of 673 randomly selected family businesses were copreneurs.
- Pratt (2002, 2009) estimates 1.7 million jointly-owner sole proprietorships, which represents 10.1% of all family firms. Pratt further cites Gardner's identification (1991) of copreneurs as the fastest growing segment and also indicates one-third of copreneurs are military veterans.

A more accurate estimate of the population and its composition is not possible at this time; however, the most recent study (Pratt 2009) estimates the population of copreneurs at 1.7 million (10.1% of all family businesses in the U.S.), a figure that positions the subgroup as a significant minority within general family business populations. Although full-time "classic" copreneurs are *among* the population, the actual size of the homogenous subgroup is unknown and unknowable; a portion may be *outside* the population if only one spouse registered the business (e.g. as a male or female entrepreneur). The sample is discussed further in Chapter 7.

Chapter 3 presented a brief overview of theoretical foundations and sustainability in the family business literature, with an in-depth discussion of the issues of definition and population. The discussion highlights copreneurs as a subset of family business of sufficient size and significance to merit research in the field. The discussion also identified a number of gaps in the literature:

- The need for system-level, multi-disciplinary research (which will be further explored in Chapter 4); and
- The need for distinct definitions and homogenous samples.

Chapter 4 expands the literature search, review and analysis to broader family business, copreneurial and entrepreneurial issues relevant to the thesis, including literature on individual components of the family business system and the copreneurial enterprise.

## **Chapter 4: Issues in Family Business, Entrepreneurship and Copreneurship**

### **INTRODUCTION**

The purpose of Chapter 4 is to begin the task of critically discussing the literature on individual issues in family business, entrepreneurship and copreneurship that form the components of the copreneurial enterprise system, which is the focus of this thesis. The research lineage on family business is more extensive both in system research and individual issues; therefore, family business literature is presented first in each section and entrepreneurial and copreneurial research ties are discussed where appropriate. Copreneurial literature will be discussed in more depth in Chapter 5.

Three areas of distinction emerge in the literature on family business and comprise the “macro” view of the field: (1) the cross-disciplinary nature of the research; (2) the system complexity; and (3) the component culture of “familiness.” Section 4.1 discusses this macro view, including system theory and seminal family business theories (e.g. Agency theory, the Resource-Based View of competitive advantage, and strategic management theory). Section 4.2 presents the “micro” view of the literature. Individual facets of family firm, entrepreneurial and copreneurial performance are presented using the Parallel Planning Process (Carlock & Ward 2010) and Poza’s (2007) five stages of family business development to guide the discussion. Section 4.3 discusses the current literature on the related area of *best practices* in family business.



#### **4.1 THE DISTINCTIVENESS OF THE FIELD OF FAMILY BUSINESS RESEARCH**

The task of critically examining the family business, entrepreneurial and copreneurial literature – and its context within the family business enterprise system – begins with an examination of the system itself, its components and inter-relationships. It is not enough to simply identify a gap in the literature, but to also understand why the gap exists and how existing research can be incorporated into *system* research design by assembling components into a holistic, conceptual view of the copreneurial enterprise system. Zachary (2011) contends, “The conceptualization of the family business must encompass a multidisciplinary and comprehensive perspective of the complex and dynamic phenomenon of business that is owned and operated by family members” (p. 26).

Sharma’s (2004) second broad category of family business inquiry – described as *distinctiveness as a field* – derives from her meta-analysis discussion of 217 family business articles, highlighting four levels of research categorized as: (1) Individual; (2) Interpersonal/Group; (3) Organizational; and (4) Societal/Environmental. A myriad of research issues is represented within the complex system. A review of elements from the 217 articles within these categories (Table 5) provides clues for understanding the complexity facing researchers and the patterns that have emerged in research design.

[continues on following page]

**Table 5: Elements within Family Business Research Categories**

<b>Category</b>	<b>Sub-category</b>	<b>Research issues</b>
<b>1. Individual Level</b>	a. Founders	Culture, values, performance, influence, leadership style, relationship with other family members
	b. Next-generation members	Desirable successor attributes, performance-enhancing factors, reasons for joining family business
	c. Women	Work/Family roles
	d. Non-family employees	Decision-making, culture, leadership, management
<b>2. Group/Interpersonal Level</b>	a. Name and type of contractual agreements	Agency theory, altruism, stewardship theory, utility maximization
	b. Sources of conflict and management strategies	Task, process, relationship, positive and negative aspects, performance, resolution
	c. Intergenerational transition	Dimensions and phases of succession, perception, success and failure, continuity
<b>3. Organizational Level</b>	a. Resources	Identification and management of resources (Resource-based view); Capital (human, social, survivability, patient, governance structures, financial)
<b>4. Societal/ Environmental level</b>	b. Economic importance	International studies

Source: Adapted from Sharma (2004)

Two distinctive trends are apparent: the cross-disciplinary nature of the system; and the interaction among the four levels in family business management. Sharma (2004) notes that the majority of research has been toward individual and group levels with scant recent interest in the organizational level, including vision and culture development, marketing strategies, human resource practices, and interorganizational relationships. This is echoed in the copreneurial research and supports the need for research on more holistic and integrated topics such as copreneurial vision, structure, and strategy to fill the gap in system research (Fletcher 2010; Tompson & Tompson 2000).

A re-organization of research issues from Table 5 into discipline categories in Table 6 (Business, Psychology and Sociology) reflects multiple topics of interest and depth available within each discipline.

**Table 6: Elements within Family Business Research Arranged by Discipline**

<b>Business</b>	<b>Psychology/Family Therapy</b>	<b>Sociology</b>
Performance (I)	Leadership (I)	Culture (I)
Successor attributes (I)	Influence (I)	Values (I)
Performance-enhancing factors (I)	Reasons for joining family business (I)	Relationship with other family members (I)
Management (non-family) (I)	Women's work/family roles (I)	Altruism (G/I)
Decision-making (I)	Conflict and resolution (G/I)	Social capital (O)
Agency theory (G/I)	Successor success and failure (G/I)	Cross-culture (S)
Stewardship theory (G/I)	Human capital (O)	
Utility maximization (G/I)		
Succession and continuity (G/I)		
Management relationships (G/I)		
Governance structures (O)		
Financial resources (O)		
Economic impact (S)		
International studies (S)		

I = Individual      G/I = Group/Interpersonal      O = Organizational      S = Societal

Source: Compiled by author based on Sharma (2004)

The range of single-issue opportunities has benefited researchers who may wish to focus on one discipline and one aspect of family business (e.g. business performance for business researchers; social capital for sociologists; and conflict resolution for psychologists/family therapists); however early family business research (prior to 2000) suffered from a limited view based on researchers' disciplinary roots (e.g. business schools ignored the family dimension of family business enterprises) (Heck et al. 2008). This trend may have hampered progress toward comprehensive models of the family firm, which require cross-disciplinary approaches, theory-building and an understanding of dynamic inter-relationships that connect individuals, institutions and their context (Zachary 2011; Zahra, Klein & Astrachan 2006).

### *Copreneurial Research*

This single-disciplinary trend is particularly evident in copreneurial research where researchers, particularly from the disciplines of psychology and family therapy, study interpersonal elements of *a marriage relationship between two business owners*, rather than a holistic view of the copreneurial business enterprise that includes competitive advantage, financial performance and sustainability. Common single-issue studies in copreneurial research include male vs. female entrepreneurs (DeMartino & Barbato 2003; Watson 2003); conflict and tension management (Danes & Olson 2003; Foley & Powell 1997; Helmle 2010; Sorenson 1999); boundaries and roles (Barnett & Barnett 1988; Fletcher 2010; Jaffe 1990; Kranendonk 1996; Laurence 1990; Marshack 1994; Smith 2000); and decision-making and influence (Ponthieu & Caudill 1993; Wicker & Burley 1991). A comprehensive discussion of these single issues is presented in Chapter 5.

#### **4.1.1 System Theory in Family Business Research**

A system, according to Deming (1993) is a “network of interdependent components that work together to try to accomplish the aim of the system” (p. 50). Kanter (1977), Foley and Powell (1997) and others recognize that it is not the individuals themselves that need to be studied, but the interfaces between the individuals within the work and family domains (Danes et al. 2008; Heck et al. 2006; Jennings & McDougald 2007; Olson et al. 2003; Stafford et al. 1999) and the “broad and fundamental influence that the family itself plays in the emergence of entrepreneurship and vice versa” (p. 326). Recognition of a family “system” in

which business and family operate in conjunction toward the aim of the system has been apparent for more than 30 years.

Hollander and Elman (1988) highlight the benefit of systems thinking to understanding complex distinctions and interactions in family business, crediting Ludwig von Bertalanffy (1968) with the application of biological-system research to human systems as the appropriate framework for study. They propose a focus on the “whole,” with an interrelatedness of “parts, hierarchy, openness and interactiveness” (p. 156). Although Hollander and Elman acknowledge the importance of understanding the components of the family-business system, they observe that the dual-system approach (family and business) has led to double sets of processes, with conflict assigned to one component or the other (family or business). They conclude that it may simply be the result of researchers advocating theories based on the particular discipline to which they belong (psychology or business). Zachary (2011) observes that “most researchers have overlooked the family system in the pursuit of family business studies and research” (p. 27).

Hollander and Elman’s (1988) analysis led to the formulation of a fundamental system question: “We need to know whether the family-owned business is a single entity *sui generis* or whether it is a hybrid of two subsystems and its theory is a hybrid of two major system theories. We need to know whether the family firm is a zebra or a pony with stripes” (p. 162).

Whiteside and Herz-Brown (1991) support the push for a single-entity view, citing several drawbacks to the dual-system approach:

- A stereotyping of subsystem functioning;
- Inconsistent and inadequate analysis of interpersonal dynamics; and
- Exaggerated notions of subsystem boundaries and an underanalysis of whole system characteristics (p. 384).

Pulling from general systems theory the notion that the whole is greater than the sum of its parts, they recommend a single-entity approach that focuses on the new organization created by the integration of its parts, using both macro and micro levels, wide and narrow lenses respectively. However, little has been accomplished in the intervening years to move beyond the presentation of research based on the *parts* to construct a picture of the *whole*. It calls to mind the story of the five blind men who perceive an elephant as a tree, a wall, a snake, a fan, or a sail based on the single part they have examined.

Even though the lack of comprehensive system research has left a serious gap in the push toward development of *one* theory of the family firm or the copreneurial enterprise, it has nevertheless provided the building blocks for the development of a number of conceptual models based on the parts (i.e. Three-Circle Model: Gersick et al. 1997; Sustainable Family Business Model: Stafford et al. 1999; Parallel Planning Process: Carlock & Ward 2010; Ward 2004; Unified Systems Model: Habbershon, Williams & MacMillan 2006). One comprehensive model or *theory of the family firm* may not exist, but the building materials are available. Resolving the system-research gap must build on the strengths of single-issue

research rather than fixating on their weakness. The research lineage is merely a reflection of a field where there is more to do than hands to do it.

Using system models and theories from non-family business has been considered by past researchers and in two cases, theories have been adapted successfully for use in family business (i.e. the Resource-Based View as adapted by Habbershon & Williams 1999; and Habbershon, Williams & MacMillan 2006; and Agency theory, adapted from Jensen & Meckling 1976). However, the *direct* application of models and research from *non-family* small business and entrepreneurship studies to family business has been rejected as incomplete, with a call for empirical research that results in models specific to family business and copreneurs (Chrisman, Chua & Steier 2003; Sharma 2004; Sharma, Chrisman & Chua 1997).

Dyer (2003) summarizes the value of this refined context in the field of management theory and practice

From the few studies that have been done regarding family firms, the impact of the family on organizational behavior and firm performance is often highly significant. Thus, if organizational scholars do not account for the family as a variable in their research, they will be incapable of accounting for the behaviour of a significant population of organizations they purport to understand (p. 404).

This is echoed by Habbershon, Williams and MacMillan (2006) who identify two gaps in family business research. They acknowledge Sharma et al.'s (1997)

observation that research has focused on family relationships (e.g. roles, gender, conflict) without a strong sense of strategic management relative to business performance. On the other end of the continuum, they report that research that discounts, ignores or isolates family factors from the business fails to account for a major system influence (i.e. family) that impacts performance outcomes. They conclude that family business research requires inclusion of *both family and business issues*. Zachary (2011) summarizes the implications for family business scholarship:

As we conduct our future family business research, teaching, and practice, we must encompass both the family system and the business system and interplay between each system. This broader and detailed view must be implemented throughout our research process including all its parts of conceptualization/theories, sampling frames, measurements, analytics, interpretations, conclusions, implications and applications (p. 33).

#### **4.1.2 Macro Themes in Family Business Research**

Family business research comprises four distinct and influential theoretical underpinnings – intellectual foundations that have shaped the “state of the art of family business research” (Chrisman et al. 2010, p. 9): (1) The definition of a family firm; (2) Agency theory; (3) The Resource-Based View; and (4) Strategic Management (Astrachan 2010; Moores 2009). The definition debate has been previously discussed in Chapter 3, with identified sub-themes including components of involvement, essence, and family firm identity.



### *Agency Theory*

An aggregate of influential authors (in Chrisman et al. 2010: Anderson & Reeb 2003; Chrisman, Chua & Litz 2004; Jensen & Meckling 1976; Morck & Yeung 2003; Schulze et al. 2001; and others) have formalized Agency Theory and the related sub-themes of entrenchment, nepotism and altruism as distinctive in family business literature (Schulze et al. 2001; Schulze, Lubatkin & Dino 2002; Schulze, Lubatkin & Dino 2003). The theory that separation of ownership and management creates costs (in non-family firms) and that owner-managers are more diligent (in family firms) is well-represented in the literature as a point of agreement among scholars (Chrisman, Chua & Litz 2004). Emergence of a related seminal theory – Stewardship Theory – (Davis et al. 1997) has fuelled debate over whether manager-agents are “individualist, opportunistic and self-serving” with goals different than their principal owners (based on agency theory) or “pro-organizational and trustworthy team players” with goals naturally aligned with their owners (based on stewardship theory) (Astrachan 2010, p. 22). Although Agency Theory and Stewardship Theory do not appear in the copreneurial literature, inclusion of these seminal family business theories (Litz, Pearson & Lichfield 2011) are important to an empirical study of copreneurs and the role of non-family managers in the copreneurial enterprise.

### *The Resource-Based View (RBV) and “Familianness”*

The distinctive issue of “familianness” and its relationship to family business sustainability was detailed by Habbershon and Williams (1999) and Habbershon, Williams and MacMillan (2006) with their adaptation of the Resource-Based View (Barney, Wright & Ketchen 2001; Penrose 1959; Rubin 1973; Wernerfelt 1984)

and development of the Unified Systems Model for use in family business research. The Unified Systems Model and other seminal family business models will be discussed in more detail in Chapter 6.

Fundamentally, the authors contend that there are unique factors within family businesses that lead not only to sustainability of the *family* but also provide sustainability of the *business* through leveraged use of “familiness” into competitive advantage in the marketplace. It is these idiosyncratic, complex, intangible and dynamic resources of a family firm that provide the source of rich and meaningful data into why family (and copreneurial firms) remain competitive over time (Habbershon, Williams & MacMillan 2006).

The Resource-Based View continues to receive significant attention from family business researchers (Sharma 2008; Tokarczyk et al. 2007) and constitutes a major alternative to agency theory in explaining the distinctiveness of the family firm (Chrisman, Chua & Steier 2005; Chrisman et al. 2010), particularly in the leveraging of resources (i.e. human capital, social capital, patient financial capital, survivability capital, governance structures) (Simon & Hitt 2003). However, empirical research based on RBV is scant and “the sources from where these resources emerge, the ways in which they change over time, and the means through which they can be nurtured and preserved are not well explored” (Astrachan 2010, p. 8). Furthermore, “Resource based views of the family firm have, so far, not associated the valuable, rare, inimitable, and nonsubstitutable resources and capabilities with the individual dimensions of family involvement” (Chrisman, Chua & Steier 2005, p. 245).

Related sub-themes within the RBV literature and the culture of “familiness” have emerged, clarifying the inclusion of dimensions *within RBV*, including research on social capital (Pearson, Carr & Shaw 2008), with the dimensions of human, financial and physical capital as yet under-researched (Sharma 2008). Although RBV does not appear in the copreneurial literature, inclusion of RBV is important to an empirical study of copreneurs over time, consistent with Astrachan (2010) and Sharma’s (2008) observations. Chrisman Chua and Sharma (2005) note that the use of RBV has generated a richer array of ideas, and “[t]he proposed antecedents and types of distinctiveness for family firms are more numerous [than non-family firms] and the pathways more complex; as a result, they are less clear-cut. Research has only begun to investigate these ideas and more is clearly needed” (p. 566).

The Resource-Based-View represents an established theoretical model in family business research. However, there have been criticisms of both RBV and Agency Theory when applied to family business, including an identified weakness in both theories that the only goal of the firm is wealth creation through competitive advantage (Chua, Chrisman & Steier, 2003). Chrisman, Chua and Litz (2003) suggest *value creation* be substituted for wealth creation as the defining function of a family business.

The related issue of *culture* as an element of “familiness” can be considered an important, distinctive area of the overlap between business and family. Poza (2007) comments that culture (values, beliefs and assumptions) “largely reflects what has been proven as successful, over time, to an organization” (p. 28) and

observes that family businesses tend to exhibit strong cultures, which makes this element useful in the study of family business. However, the impact of family culture remains understudied (Poza 2010).

Culture in copreneurial research is primarily anchored in the dynamics of the *marriage relationship within a business context* (Cox, Moore & Van Auken 1984; Marshack 1994; Smith 2000; Bell 2008). The element of culture in a copreneurial venture is of particular interest in this exploration of family businesses in which the individual and joint 'values and vision' of two career-oriented individuals may impact the organization they create to operationalize and optimize that vision. Culture's pervasive influence throughout business and family stages is the reason why culture is considered here as a "macro" element in the copreneurial enterprise system. Although Poza (2010) notes that the literature remains pessimistic about the capacity to change organizational cultures, within the copreneurial enterprise culture may be an integral factor in competitive sustainability, representing one of the idiosyncrasies reflected in the Resource-Based View of competitive advantage (Barney & Clark 2007).

The copreneurial research is silent on the *long-term* effects of culture in copreneurial enterprises and how it might inform either competitive advantage or long-term sustainability. Barnett and Barnett (1988) reported on cultural dimensions, including personal and work values and boundaries. Boundaries and transitions were the focus of Marshack (1994) and Laurence (1990). Roles were examined by Jaffe (1990) and Kranendonk (1996). However none of the studies looked at culture *over time* to ascertain the relationship between culture

and competitive advantage. This oversight represents a gap in the “macro” view in copreneurial research.

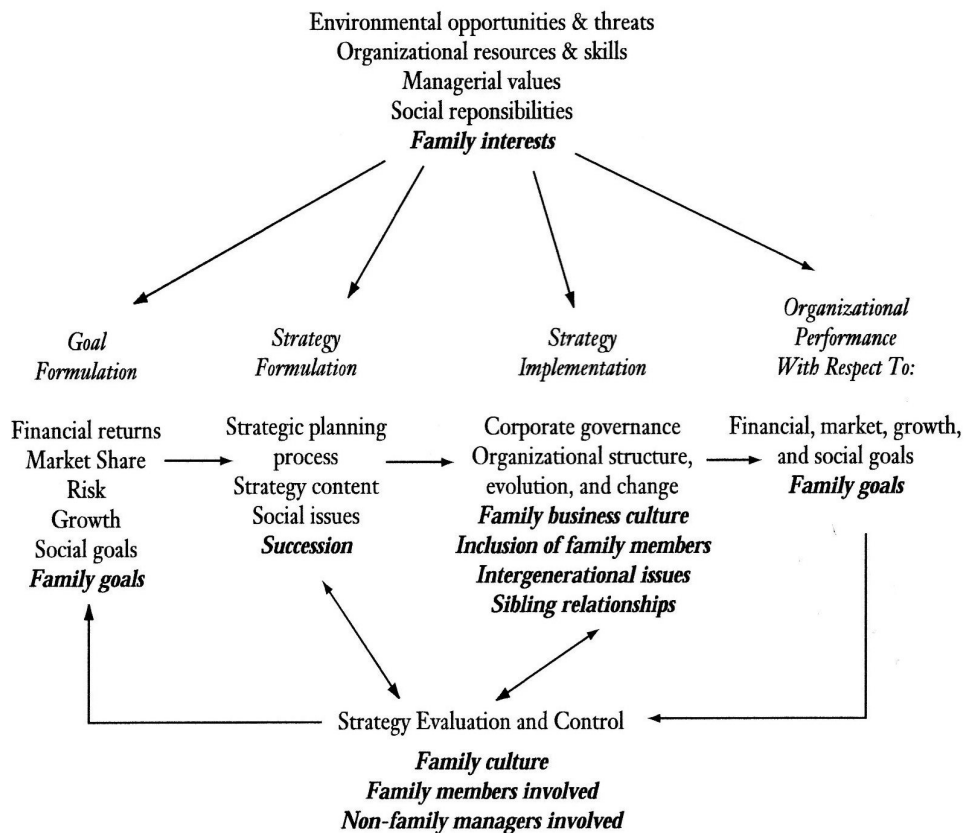
Hall, Melin and Nordqvist (2001) support the distinctiveness of culture in their exploration of the relationship between organizational culture and the entrepreneurial process. They argue that whereas some family patterns tend to preserve the status quo, others facilitate entrepreneurial change. They contend that, “to capture the dynamics in family firms, we believe that it is important to study family businesses in which the family is likely to have a considerable impact” (p. 194). These family patterns or “structures” have not been explored in the copreneurial business system where the family has a “considerable impact” and their relationship to sustainability may be significant.

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## Strategic Management

Sharma, Chrisman and Chua (1997) identified six categories of the Strategic Management Process with business elements and family influences in each.

**Figure 3: The Strategic Management Process**



*\*Family influences appear in boldface italic*

Source: Sharma, Chrisman and Chua (1997)

Although business strategy and family strategy intertwine, the authors' review of 77 articles conclude that "... the literature tells us very little about whether strategic decisions and performance are evaluated and controlled differently in the family firm [vs. non-family], or whether such differences are justified" (p. 17).

More recently, in the inaugural issue of the *Journal of Family Business Strategy* Astrachan (2010) summarizes the literature on strategic planning in family business relative to non-family business:

Due to family influence, family businesses have characteristics that differentiate them from non-family business (Moore, 2009), pursue strategies different from non-family firms (Kotey, 2005), and private businesses have been shown to pursue different strategies than listed companies (Trostel & Nichols, 1982) (p. 7).

The related strategic area of succession planning is an important and frequently researched topic in family business (Chua, Chrisman & Sharma 2003) and a challenge for a firm's long-term, intergenerational sustainability (Le Breton-Miller, Miller & Steier 2004). Succession planning requires "analysis from the perspectives of family, management and ownership systems in order to understand adequately the perspectives of different stakeholders" (Brockhaus 2004, p. 165). The process can be hampered by personal and emotional factors – by perceptions attached to past and present (Miller, Steier & Le Breton Miller 2003), with involvement of successors in the planning process a valuable bridging strategy (Mazzola, Marchisio & Astrachan 2008).

Astrachan (2010) summarizes the literature on family business strategy as showing family businesses are "value driven... pursue other than merely financial goals... rely on long-term relationships fostering trust and altruism... and achieve market success by identifying family with brand identity" (p. 7).

### *Copreneurial Research*

The literature on copreneurs reflects a narrow view of strategic family business planning, with Jaffe (1990); Marshack (1994); Foley and Powell (1997); Smith (2000), Harris, McIntosh and Lewis (2007) and others focusing on home-based roles such as cooking, childcare, maintenance, and housework, and relationship skills such as communication and conflict management (Helmle 2010). The copreneurial literature is silent on succession planning and its implications for the business and family.

Although the literature does not paint a strong picture of “how” the strategic management dimension in either family firms or copreneurial enterprises works, it does suggest that “how” the family strategizes future growth and upon what foundations decisions are made are two areas in need of exploration (Astrachan 2010). As with other areas of copreneurial research, there is not sufficient research yet to consolidate the element of strategic planning into theory ready to be tested. However, the pervasive intertwining of business and family strategic elements as described by Sharma, Chrisma and Chua (1997) are indicators that this issue is an important one to explore in future studies.

In the copreneurial enterprise, this issue is of even higher relevance, as *all* strategic decisions for both business and family are often in the hands of the two primary owners (with low or nonexistent agency costs). And as previously noted, the culture that often emanates from their value systems has the power to influence their strategic management of the enterprise. As an input to sustainability, this issue is severely under-researched in the copreneurial



literature (see Chapter 5) in favour of the previously mentioned “relationship” focus where copreneurs are often studied in the family therapy context of a *married couple with issues* who also own and operate a business together. Understanding the way copreneurs make strategic decisions is integral to understanding how success and sustainability can be achieved.

## **4.2 THE DIFFERENT FACETS OF FAMILY FIRM PERFORMANCE**

The third broad category of inquiry in family business suggested by Sharma (2004) – “the different facets of family firm performance” – is a complex discussion that is anchored in the aforementioned macro elements, but reflected in the micro elements and their assembly into structures (e.g. the facets of a gem) found in family business performance. Appendix A categorizes 30 years of family business literature (50 sources from 1977 to 2007), identifying seven recurring sub-categories (facets) in family business literature and their inclusion in articles: (1) Copreneurs (the focus of this thesis); (2) Strategic Management; (3) Success Factors; (4) Work-Family Interface; (5) Gender; (6) Conflict/Tension; and (7) Models. The table reflects multiple micro-elements within each article, highlighting the substantial complexity of research and the prevalence of sub-themes in many seminal works.

### **4.2.1 Structures in Family Business Sustainability Research**

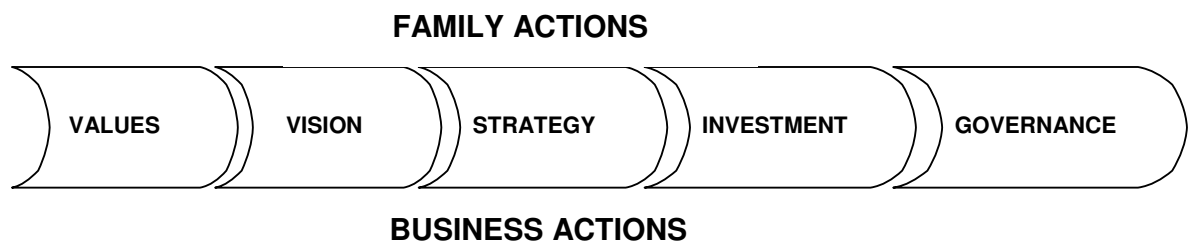
The sub-themes in Appendix A are found throughout the stages of business development as they impact planning and performance for business and family *over time*. Two umbrella structures that reflect the element of “time” appear in the literature: Process stages (Carlock & Ward 2001; Carlock & Ward 2010;

Ward 2004) as represented in the Parallel Planning Process (Figure 4) and business development stages as reflected in Figure 5 (Poza 2007). Carlock and Ward's (2001, 2010) process planning model includes two pre-business start-up elements – values and vision.

### *Values*

The starting point for family business planning and development is clarification of values and future vision as a prerequisite for business strategy, as represented by Carlock and Ward (2001, 2010) in the 5-step Parallel Planning Process (business and family) represented in Figure 4.

**Figure 4: The Parallel Planning Process**



Source: Carlock & Ward (2010)

Values represent a core component of family firm identity, with the family business the “external manifestation of a family’s value system” (Leach 2007, p. 4; Zellweger, Eddleston & Kellermanns 2010). Family business values are often rooted in the founder’s spirit and personality (e.g. curiosity, courage, mutual respect; open-mindedness, humility, empathy) rather than in professional management (e.g. creativity, innovation, teamwork, change, learning, communication) (Schuman, Stutz & Ward 2010).

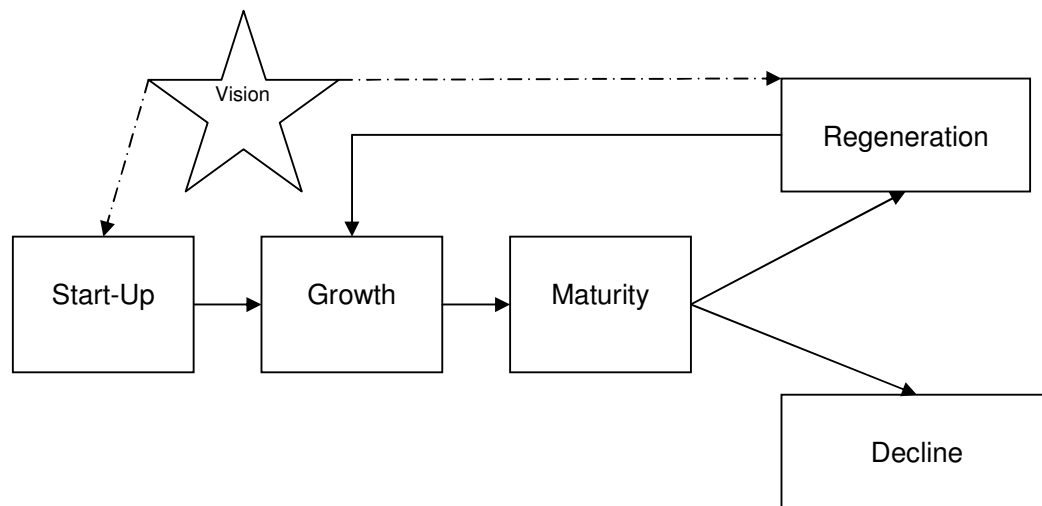
Personal values of the founding family contribute to family firm longevity (Carlock & Ward 2010). A survey of 100-year-old Finnish family companies revealed seven of the top 10 contributory values as personality-based (i.e. honesty, credibility, obeying the law, respectability, responsibility, flexibility and stress tolerance) with process values of quality, industriousness and service mindedness ranked nos. 4, 5 and 7 respectively, and *economic return to owners* ranked no. 39 (Koiranen 2002). The prevalence of personal, individual values in the top 10 in family firms is in contrast to the top 10 core values reported within 200 multinational companies surveyed by Kaptein (2004), which prioritize values of the organization and its business processes (e.g. teamwork, conscientiousness, communication, innovation, creativity, customer-oriented, flexibility, efficiency, professionalism, entrepreneurship).

### *Vision*

Family vision is inexorably tied to family values and the “soulfulness” of a company (Hubler 2009). This view is consistent with Poza’s (2007) five stages of business development (Figure 5 on following page) in which vision precedes the start-up stage and is also a bridging component between regeneration and the start-up of new ventures.

[continues on following page]

**Figure 5: Stages of Business Development**



Source: Poza (2007)

In theory, the processes of visioning and goal-setting are components of best practices in business (Carlock & Ward 2010; Dana & Smyrniotis 2010); however in practice, family firms pursue both economic and non-economic goals, with the latter affecting behaviors and limiting performance (e.g. agency problems, nepotism and altruism) (Chrisman et al. 2010). Whereas wealth creation is the major goal for businesses, noneconomic goals important to family business owners may affect the structure of the family business organization, with trade-offs between business goals and family goals impacting performance (Kraus, Harms & Fink 2011).

### *Gender*

Gender issues impact all stages of business development, particularly in the area of the *attitudes and intentions* of men and women when they start businesses – and their preferences for certain industries; therefore an extended discussion of the literature on gender is presented here for continuity.

Research on gender issues falls into three sub-categories: (1) research into differences in the way men and women *perceive* the business (DeMartino & Barbato 2003; Kanter 1997; Jaffe 1990; Marshack 1994; Schindehutte, Morris & Brennan 2003; Shelton 2006); (2) research into differences in the way men and women *perform* in the business arena (Bates 2002; Du Rietz & Henrekson 2000; Folker, Sorenson & Hoelscher 2002; Jennings & McDougald 2007; Watson 2003); and (3) research into the *career satisfiers* men and women report from entrepreneurial businesses (Eddleston & Powell, 2008; Powell & Eddleston, 2008).

1. Perception. DeMartino and Barbato (2003) studied 261 male and female entrepreneurs, all MBA graduates from the same U.S. business school (one ranked consistently in the top 10), and all graduates from the preceding 20 years. They concluded that even though education, business knowledge, and career opportunity were the same, and all started businesses approximately 12 years after graduating, career motivators were significantly different. Women preferred careers that allowed flexibility and balance with career and family obligations; men strived for wealth, with family flexibility least important. More significant differences surfaced when comparing married women entrepreneurs with children to their male counterparts with children. The presence of children provided added motivation for the women, but did not significantly affect the men in terms of career motivation.

The study supports the notion that there are differences in the way men and women conceptualize the entrepreneurial experience, even before they are

affected by outcomes (and prejudices) in the business arena. Relative to the topic of this paper, DeMartino and Barbato (2003) confirm that rather than business performance, it is the *motivations and expectations* of men and women that varies, and this variation exists irrespective of the type of business they start, or the industry in which they operate.

2. Performance. The business arena in which male and female entrepreneurs compete has presented numerous challenges to research, particularly in the area of equality, success factors, and access to resources. According to the U.S. Small Business Administration (SBA 2002), women owned 9.1 million businesses (not including home-based micro-businesses) and employed 27.5 million people, with more than \$3 trillion in sales. Women represented 37% of all U.S. sole proprietorships in 1998 and start businesses at twice the rate of men. These figures support rapid movement of female entrepreneurs toward parity, at least in numbers of businesses owned by men and women.

But, do male and female entrepreneurs approach business from the same perspective? And are they equally successful? Attempts at quantifying gender-to-business-performance, comparative failures rates, and male/female competition for business resources have suffered from a lack of empirical information, particularly in achieving consistency (Watson 2003). Women are perceived in the literature as (1) having a psychological make-up that is less entrepreneurial than a man's; (2) having less motivation for entrepreneurship and growth; (3) having insufficient education or experience; (4) having less desire to start a business; (5) being risk averse; (6) having start-up difficulties or training

needs; (7) using less than optimal management practices or strategies; (8) behaving irrationally; (9) not networking optimally (literature summarized in Ahl 2006, p. 603).

Du Rietz and Henrekson (2000) studied 4,200 small businesses in Sweden (405 women-owned) in an attempt to correct what they perceived as shortcomings in performance studies by Brush (1992) in the U.S. and Rosa, Carter and Hamilton (1996) and Carter (2000) in the UK. Using the hypothesis that, “all else equal, female entrepreneurs tend to be less successful than their male counterparts in terms of conventional economic performance measures” (2000, p. 2), their study did confirm Brush’s (1992) and Rosa, Carter and Hamilton’s (1996) findings that women under-perform at the aggregate level when sales, profitability, employment, and orders were considered. However, when Du Rietz and Henrekson applied an extensive multivariate regression and controlled for issues such as industry type and size, they found that underperformance was evident only at the level of “sales” and not “profitability.”

Similarly, Watson’s (2003) longitudinal study of 3,046 male-owned and female-owned Australian businesses over a six-year period concluded that when adjusted for industry variation, the differences between failure rates for men and women were not significant. The reason failure rates were higher for women is that they tended to start businesses in the retail and service industry, which had higher failure rates than the predominately male manufacturing sector.

Relative to the sales issue, Brush (1992) examined women-owned enterprises in relationship to access to business clients and government contracts and concluded that women are not taken seriously as business owners, putting them at a disadvantage when compared to their male counterparts, and that this trend was inhibiting the ability of their businesses to grow. Bates' follow-up study (2002) confirmed that even when adjusted for firm size, age, and industry, women entrepreneurs had less access to clients than male-owned firms.

It appears that in studying male and female entrepreneurs, adjusting for industry and size are important in evaluating male vs. female business factors; and there is a fundamental difference in the types of businesses that attract men and women entrepreneurs, as well as how women are perceived in the "sales" function. The research seems to have progressed at least to the point of confirming with reasonable assurance that "all things equal" there is no significant business performance gap between men and women.

Sharma's (2004) analysis also reveals an under-representation of women in family business (in single or joint-family roles) as the focus of published articles, including copreneurship. She notes Poza and Messer's (2001) categories of women identified as jealous spouse, chief trust officer, partner or co-preneur, vice-president, senior advisor, and free agent, with a suggestion that leadership studies of women in family business are an area ripe for serious study. In a recent review of the literature (Parker 2010) concludes that "the business literature is insufficient for understanding the myriad aspects of entrepreneurship in general and female entrepreneurs in particular" (p. 183).



Jennings and McDougald (2007) provided support for both perception and performance perspectives, finding that *gender-differences* in an entrepreneur's Work-Family Interface (WFI) experience explain not only constraints to family well-being, but also why women's coping mechanisms constrain the growth of their firms. They contended that women are more sensitive to family issues and will move to minimize those to the detriment of business success. They suggested that research into entrepreneurship that also integrates gender distinctions in the WFI will result in greater understanding of the issues. The findings of Jennings and McDougald (2007) have recently been challenged by Jennings, Hughes and Jennings (2010) who found empirical evidence that women did not follow the strategies theorized in the 2007 study.

3. Career satisfiers. Regarding career satisfaction, Kanter's (1977) assertion that working women are personally happier was tempered by her observation that it is often the woman's role within the work-family system that determines overall family well-being, which ultimately impacts professional well-being. She further observed that this role is different for women than for men, challenging that, "traditional assumptions about women's work and family roles have acted as blindfolds, preventing researchers from seeing some major distinctions that were more easily made in the case of working men" (p. 69).

Researchers have suggested that men and women prefer different outcomes from their career achievements. The issue of career satisfaction of male and female business owners has been recently explored by Powell and Eddleston (2008) and Eddleston and Powell (2008). The authors confirm congruence with

pre-business expectations -- that men prefer status and income satisfiers and women prefer relationship and societal contribution satisfiers (DeMartino & Barbato, 2003). However, Powell and Eddleston (2008) found a “paradox of the contented female,” noting that female owners are as satisfied as their male counterparts, even with smaller businesses and lower levels of business productivity. However, they caution that, “It should not be assumed that all business owners seek to grow their businesses, or that business success necessarily leads to business owner satisfaction” and that “further research is needed to test the sensitivity of the paradox to variations in how business success is defined” (p. 34). The authors suggest longitudinal research on motivations for starting businesses and later definitions of business success. This recommendation has been incorporated into the conceptual model for the thesis, which also explores perception and performance of both owners.

It is interesting to note that Kanter’s (1977) original assumption that working women are happier has been recently called into question after a 35-year U.S. General Social Survey revealed that since the 1970s, based on self-reporting of subjective happiness, women’s happiness has fallen both absolutely and also relative to men during the period (Stevenson & Wolfers 2009). Therefore, achievement and satisfaction for individual male and female owners are also explored in this study.

The literature lends support to a theoretical stance that perceptual differences are more significant than performance issues in the area of gender research in family business and entrepreneurship. However, that assumption is based primarily on

micro-level research. Outside of DeMartino and Barbato's (2003) study of *individual male and female entrepreneurs*, there appears to be a lack of system-level research on how male/female copreneurs perceive vision and the strategic placement of family and business when they decide to embark on a *joint business venture*. This represents a gap in copreneurial research where male and female entrepreneurs have joint, equal responsibility for the creation, ownership and management of a single business.

#### *Growth, Maturity, Regeneration and Decline*

The focus of this thesis relative to the operational stages of Growth, Maturity, Regeneration and Decline is primarily from the perspective of copreneurial research, with analysis and discussion based on copreneurial literature. Therefore, the literature review will defer an extended discussion of the stages of Growth, Maturity, Regeneration and Decline to Chapter 5.

Regarding growth, the general family business research is not firm on knowledge of growth strategies (Astrachan 2010) – whether growth can be attributed to best practices or lessons learned (Dana & Smyrnios 2010); bundles of leveraged resources (Habbershon, Williams & MacMillan 2006); effective and efficient use of managerial agents and stewards (Davis, Schoorman & Donaldson 1997; Jensen & Meckling 1976) or other tangible or intangible qualities; or known, knowable or unknowable factors. This is the reflection of the current state of family business literature. The issues of best practices in family business are addressed in Section 4.3, as consideration of best practices is an area of debate

that impacts the start-up, growth, maturity and regeneration stages of business development, particularly from a process standpoint.

#### **4.2.2 Individual Issues in Family Business Research**

Four individual issues relevant to copreneurs are presented in this section: (1) The Work-Family Interface; (2) Conflict/Tension (relevant to Start-Up and Growth); (3) Business Success; and (4) Family Well-Being (relevant to Maturity), followed by a discussion of best practices in general family business in Section 4.3.

##### *The Work-Family Interface*

The study of working couples and their interdependencies was discussed at length by Kanter (1977) in *Work and Family in the United States*, suggesting that the study of “working and loving” were integral to moving forward with meaningful research. Although her observations are not specifically targeted toward family business, they established the foundation for a key direction in the future study of copreneurs – the intersection of business and family as an integral element in family business research.

Early work by Greenhaus and Beutell (1985) produced a model of Work-Family Roles Pressure Compatibility, highlighting the need for further research into the types of tension that arise from the intersection of work and family. Marshack (1993, 1994) further explored roles, comparing dual-career couples with copreneurs – yielding insight into their transitions between work and home. However, both studies came from the discipline of psychology and relationship

management, without equal consideration of business success factors such as wealth creation.

The notion of Work-Family Interface was echoed by business researchers Foley and Powell (1997) and Jennings and McDougald (2007), who suggest its importance in *conceptual models* dealing with business/family well-being, particularly when understanding tension that arose in working couples. This interface was a key point in the Sustainable Family Business Model (SFBM) developed by Stafford et al. (1999) which pairs a model of family business success with a model of family functionality to form an overall model of family business *sustainability*. The model was originally developed to guide the design of the data collection and analysis for the National Family Business Study (NFBS) (1997). It distinctively provides “equal” consideration of business and family resources, constraints, processes and achievements, as well as a common area where family/business transactions take place. This common area where disruptions and their responses occurred was akin to the Work-Family Interface first discussed by Kanter (1977).

Work-Family Interface has stood the test of time in multi-disciplinary family business research, appearing as a key element in the development of numerous models (Astrachan, Klein & Smyrnios 2006; Danes et al. 1999; Habbershon, Williams & MacMillan 2006; Jennings & McDougald 2007; Olson et al. 2003; Sorenson 1999). However, a limitation worth noting is the pervasive acceptance of the assumption that business and family are separate domains with an intersection where disruptions occur – rather than one being a subset of the other

– or components of an integrated “whole.” There is also a tendency to assume that the models propose “equal weight” to business and family elements, although this is not the intention of most authors. Only the Sustainable Family Business Model (Stafford et al. 1999) was developed to measure family and business dimensions along a continuum – the overlap where disruptions occur was a prominent feature of the model. Other configurations such as a “business first” or “relationship first” were suggested by Ward (2004) but this flexibility is not incorporated into Carlock & Ward’s (2001, 2010) Parallel Planning Process model. A full discussion of models will be presented in Chapter 6.

Marshack (1994) established work-family interface as an integral component in *copreneurs* with her study of boundaries and transitions between work and home, establishing it as a key issue in managing conflict, a perspective supported by Nelson (1986), Laurence (1990) and Helmle (2010). However, without attention to the business itself – performance and sustainability – most research on copreneurs is similarly focused on the disruptions between the two spheres of work and family, rather than their integration in flexible structures (business and family) as a way to achieve competitive advantage.

Longitudinal research into the strategies and tactics used in managing the Work-Family Interface has been suggested by Jennings, Hughes and Jennings (2010) as advancing the research on family embeddedness (Aldrich & Cliff 2003), particularly as it relates to differences in how men and women manage the interface. An empirical study (Jennings, Hughes & Jennings 2010) found that earlier theoretical predictions by Jennings and McDougald (2007) were not

confirmed, with very few differences between male and female entrepreneurs in their use of individual- and couple-focused WFI strategies. This supports earlier observations that empirical testing of family business theories is necessary to advance the field (Astrachan 2010; Sharma 2004).

### *Conflict and Tension*

Moving into the area of conflict and tension, the research supports one umbrella conclusion – that the intermingling of family and business (for both groups) adds dimension to the complexity of conflict, by virtue of the integrated system (work and family) in which the conflict arises.

Commonality in the following *areas of conflict* has been reported: (1) Roles and boundaries (Greenhaus & Beutell 1985; Jaffe 1990; Marshack 1993,1994; Shelton 2006; Schindehutte, Morris & Brennan 2003; Smith 2000); (2) Relationships (Foley & Powell 1997); (3) Disruptions and anxiety in the Work-Family Interface (Heck et al. 2006; Jennings & McDougald 2007; Karofsky et al. 2001; Olson et al. 2003; Smyrnios et al. 2003; Stafford et al. 1999); (4) Goal achievement (Danes et al. 1999); (5) Conflict resolution strategies (Sorenson 1999); and (6) Gender differences (Bruni, Gherardi & Poggio 2004).

The literature points to an underlying issue based on the question raised in Section 4.1.1 – Is the family business a pony with stripes or a zebra? (Hollander & Elman 1988). The literature on conflict reflects areas of influence based on the dual-entity *family and business* with disruptions occurring in the interface between them rather than conflict that occurs *within a single-entity family*

*business*. The perspective of conflict based on duality may not reflect a holistic, system view, or may be the result of early research from the disciplines of psychology and sociology, as previously discussed. A review of studies on conflict and where it is observed provides insight into gaps in the literature on the issues of conflict.

Thirty years ago, Kanter (1977) identified a critical societal need to understand how stress at work affects the family, suggesting that health-promoting interventions must occur in the Work-Family Interface (WFI). The interaction between men and women copreneurs, especially in coping with the intermingling of family and business resources, has been identified as a source of business/family conflict (Danes et al. 1999; Foley & Powell 1997; Helmle 2010; Marshack 1994; Shelton 2006; Smith 2000; Sorenson 1999). Rosenblatt (1991) further identified that destructive levels of tension between family and business goals can jeopardize the business.

Danes et al. (1999) addressed some of the underlying complexities of conflict in a study of 414 family businesses where both the business manager and the household manager were surveyed on how family and business characteristics affected the tension levels surrounding business issues. Using the Fundamental Interpersonal Relations Orientation (FIRO) to measure inclusion, control and integration; and the APGAR instrument that measures family functional integrity (adaptation, partnership, growth, affection and resolve), they concluded the following: (1) For business managers, stress and family health contributed significantly to the overall tensions over business issues; and (2) For household



managers, family health also greatly affected tensions over business issues – specifically, “when family health is good, tensions are low” (p. 247). Unfair workloads produced the highest levels of tension for both groups, followed by competition for resources, failure to resolve business conflicts, and role confusion.

Sorenson (1999) analyzed 59 family businesses using a qualitative/quantitative analysis that used Rahim's (1983) conflict management measures (i.e. collaboration, accommodation, compromise, competition and avoidance) as related to both family well-being and business success. His correlation produced a conclusion that the collaborative style of conflict resolution led to the most successful outcomes for both business and family health. However, he focused on conflict management after the conflict arises, not preventative measures to minimize it.

### *Copreneurial Research*

Smith (2000) in her study of 20 couples in Australia concluded that business success is often dependent on balance in the home relationship; and further concluded that when conflict arises, it is usually the woman who acts to restore harmony in the marital relationship by retreating toward traditional roles at work and at home (i.e. cooking, childcare and housework), “even when both partners were putting similar hours and energy into the business” (p. 286). She concluded that most women in her study appeared reasonably happy with the arrangement; however, four of 20 women reported continual emotional and physical fatigue and resentment at the inequity in domestic chores. Smith predicted that any

deleterious effect on the marital relationship would eventually affect the business partnership. She also cited a limitation in her research – a small sample size in a geographical area (a suburb of Sydney) noted for traditional perspectives on family roles.

Foley and Powell (1997) offered propositions for further study of the relationship between *conflict, satisfaction, and success*. Their theoretical model was specifically developed for copreneurial couples, with a series of 12 proposals based on the theory of balanced inputs and outputs. They provided substantial direction on where to go, but not how to get there.

Evidence of conflict in work-family roles and particularly sex-roles is evident throughout the literature, particularly in Marshack's (1994) work on copreneurs. But, does this conflict significantly affect business outcomes? The literature supports that it does. However, the point at which tension and conflict begin to negatively affect the business is an area in need of further research. Karofsky et al.'s (2001) study of 156 family business owners in the U.S. and comparative follow-up study (Smyrnios et al. 2003) of 1,320 business owners in Australia both supported Greenhaus and Beutell's (1985) conclusions that the inherent incompatibility of work and family produces conflict but also suggested that moderating factors such as family cohesion and personal accomplishment have yet to be explored, calling for further research into specific types or work-family conflict, rather than continuing with the current broad-based approach.

Danes and Olson's (2003) study of 391 family businesses delved into this question, proposing that tensions develop differently for men and women. Their study reported some support for the idea of a threshold where tension begins to affect the functional integrity of the family, and constructive tension turns to destructive tension on both the family and business systems – a point at which positive *stress* becomes negative *strain*.

### *Business Success*

According to Thompson & Thompson (2000), the evaluation of business success for a copreneurial firm combines traditional small business and entrepreneurship outcomes such as sales growth and return on assets with more complex measures including mastery of owning and managing a business while pursuing the goal of staying married. Defining business success as separate from family success in a copreneurial venture is difficult at best. (Note: Chrisman, Chua and Litz (2003) suggested substituting “value creation” for “wealth creation” in functional definitions of family business success.)

One of the contributions of the Sustainable Family Business Model (SFBM) in evaluating business success is the inclusion of both objective and subjective measures (Heck et al. 2006). Business “sustainability” appears in the Sustainable Family Business Model and the Balanced Scorecard assessment (financial perspective; customer perspective; internal business; and innovation & learning – Kaplan & Norton 1992, 1996). Craig and Moores (2005) adapted the Balanced Scorecard for family business to include efficiency of the family business system, family career success, and succession factors in evaluating

overall business success. The issue of family career success is difficult to divide between Business Success and Family Well-Being.

### *Family Well-Being*

The “double-dyad” of the copreneurial couple who are both individual male-female entrepreneurs with dual-career tracks and also partners in a family unit necessitates simplifying the elements to be studied relative to family well-being. The relationship between family well-being and business success has been noted by researchers who conclude that the well being of the family affects the success of the business (Rosenblatt 1991; Danes et al. 1999; Smith 2000; Olson et al. 2003).

Measures of family well-being have been the focus of research in both business and psychology, primarily by exploring health and satisfaction in the Work-Family Interface (WFI) – the overlap between work and family where disruptions are likely to occur. In Appendix A, 32 of 50 sources address the Work-Family Interface; 25 of 50 reference Male-Female gender issues; and 23 of 50 address tension and conflict. Business researchers Foley and Powell (1997) and Jennings and McDougald (2007) suggest the importance of the WFI in *conceptual models* dealing with family well-being, particularly when understanding tension that arise in working couples.

However, limiting family well-being to simply the presence or absence of conflict in the WFI would be neglecting a system view of the family as a strategic unit that includes both group and individual goals, values, expectations and outcomes.

Consideration of individual elements such as career satisfaction, family satisfaction, and life stress has been studied by researchers (Parasuraman, Greenhaus & Granrose 1992). Foley and Powell (1997) suggested measuring personal expectations, decision-making, parental responsibility and support as inputs into satisfaction.

#### **4.3 BEST PRACTICES IN FAMILY BUSINESS**

The related issue of “best practices” was explored by Dana and Smyrnios (2010) with a survey of the literature on key topics included as best practices in family business (Appendix B). Their summary of best practice dimensions included “strategic planning to mitigate risk and capture opportunities” and noted that Ward (1997) initially used the concept of best practices “as a strategic management approach to avoid family business stagnation” (p. 41). However, their study of Australian family businesses (Smyrnios & Dana, 2006) found that most of these practices are not implemented.

Further, Dana and Smyrnios (2010) summarized that research into family business best practices often focuses on strategic management of “family hygiene,” concluding that “it appears that the most critical family business best practices are those that deal with family-in-business issues including communication, governance, succession, conflict management and resolution; as well as the proactive implementation of relevant systems, procedures, policies, and plans to address those issues and challenges before the need arises” (p. 47).

This preceding comprehensive discussion sheds light on why copreneurial research is slow to emerge: As currently expressed, the equation has too many components and the system view – *the vision and structure of the system* – has not yet been fully established, nor has a *theory of the copreneurial firm* emerged. The current view is of an emerging field with a disparate body of knowledge comprising definition, theory and measurement, still seeking resolution by researchers. Although there is no dominant underlying theory in the field to date, the literature clearly indicates there is a defined, dedicated attempt to grapple with these fundamental issues toward the identification of a theory of the family (and copreneurial) firm. Within this mission, there are suggestions for system research to fill the gaps on both macro and micro issues for the family and the business. The research question – *What optimizing structures are created by copreneurs to achieve sustainability of both the business and the family?* – represents both macro issues (sustainability) and micro issues (enterprise structure and process) within the framework of a long-term family and business enterprise.

Chapter 4 has presented a comprehensive review and discussion of issues in general family business literature, with relevant literature on male/female entrepreneurship and copreneurship. Chapter 5 extends the discussion with a review of 31 seminal copreneurial studies, followed by a summary of gaps in the literature.

## **Chapter 5: Analysis of Copreneurial Research**

### **INTRODUCTION**

The purpose of Chapter 5 is to review the lineage of the smaller subset of copreneurial literature, building on the previous literature in Chapter 4 which presented general family business literature. Chapter 5 presents a review of the literature specific to copreneurs, with a critical analysis of 31 articles and books between 1971 and 2011. Section 5.1 presents Table 7, a chronological view of the literature with country, definition, sample, discipline/instrument and findings highlighted, as well as a discussion of each element. Section 5.2 summarizes the distinctive attributes of copreneurs that make the subset suitable for exploration in the thesis. Section 5.3 maps the copreneurial position relative to five seminal family business models, suggesting the suitability of family business models for research on copreneurs.

### **5.1 A REVIEW OF COPRENEURIAL RESEARCH**

Copreneurs represent a substantial, growing segment of the family business sector that has been largely ignored in entrepreneurship research and remains under-researched when compared with general family business research (De Bruin & Lewis 2004; Gardner 1991; Pratt 2009; Welk, Fitzgerald & Muske 2011). The 40-year lineage of copreneurial literature reflects the interplay between the copreneur husband and wife with a lack of attention to the outcomes of the copreneurial enterprise (Pratt 2009).

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### 5.1.1 A Chronology of Copreneurial Literature

Table 7 presents a chronological view of copreneurial literature (1971-2011)

gleaned from journal articles, dissertations, conference proceedings and books.

**Table 7: Chronological Review of Copreneurial Literature (1971 – 2011)**

Author and Country	Definition Used	Sample	Discipline and Instrument	Findings
Epstein (1971 – U.S.) Journal article	Husband-wife partnerships in the practice of law.	69 female lawyers who worked together with their husbands.	<u>Sociology</u> : Qualitative. In-depth interviews (1-1/2 to 5 hrs.) Ages approx. 40-60. JA was on subset of 12 cases.	Working partnerships in a career-level profession offer many structural opportunities for successful combination of work and family life.
Bryson, Bryson, Licht & Licht (1976 – U.S.) Journal article	Husband and wife professional pairs (psychologists). Did not specify if they worked together in their own firm or as members of firms owned by others.	100 psychologist couples; as well as 76 individual male and 62 individual female (238 total respondents).	<u>Psychology</u> : Quantitative. Separate and joint surveys. Compared psychologist couples with individual male and female psychologists.	The professional pair is a mutually facilitative and supportive unit. Each member of the pair is motivated by the presence of the other and derives satisfaction from the other's accomplishments as well as his/her own.
Cox, Moore & Van Auken (1984 – U.S.) Journal article	Husband and wife teams who jointly manage small businesses.	220 couples in the state of Texas (440 total respondents in both small and large cities). Did not indicate whether F/T or P/T.	<u>Business</u> : Quantitative. 17-item questionnaire answered by spouses independently.	Couples perceived their marital relationships to be more important than their business relationships. They felt working together strengthened their marriage.
Nelton (1986 – U.S.) Book	Husbands and wives who go into business together.	Anecdotal stories from 34 couples.	<u>Sociology</u> : Qualitative. Book outlining common threads from successful couples.	Couples who successfully manage the interface between business and personal relationship prioritize marriage and demonstrate respect, close communication and humour.
Barnett & Barnett (1988 – U.S.) Coined the term "copreneur." Book	Couples in 24-hours-a-day business and personal partnerships whose business relationships are <i>outwardly equal</i> .	25 full-time copreneurs throughout the U.S.	<u>Business</u> : Qualitative. Face-to-face interviews. No pre-written questions.	For most successful copreneurs there are no boundaries between work and family or work and play.
Laurence (1990 – U.S.) PhD thesis	Couples who are first-generation owners and operators of their businesses.	10 married couples in small, closely-held family-owned businesses.	<u>Business</u> : Qualitative. 5 couples interviewed separately; 5 couples interviewed together in a group discussion session.	Women needed boundaries between work and home. Marital patterns transferred to the workplace. Men tended to be executives; women tended to be administrators.
Jaffe (1990 – U.S.) Book	Couples who share ownership, commitment and responsibility for a business.	Anecdotal stories from author's contacts.	<u>Psychology/Family Therapy</u> : Book chapter outlining tips for copreneurs.	Successful copreneurs need shared vision and clearly defined, separate roles with good communication.



**Table 7: Chronological Review of Copreneurial Literature (cont'd)**

Author and Country	Definition Used	Sample	Discipline and Instrument	Findings
Rosenberg (1991 – U.S.) PhD thesis	Husbands and wives who work together in first-generation family business where ownership, management and decision-making are held by family members.	39 couples in Pennsylvania, New Jersey, California, Delaware, Ohio, and Georgia (did not indicate whether F/T or P/T).	<u>Psychology</u> : Quantitative. Examined organizational, marital, spousal and personal factors that influence the quality of the working relationship.	Attention to the assessment of spousal relationships, role recognition and using influence to improve the relationship lead to sustainability of the relationship.
Wicker & Burley (1991 – U.S.) Journal article	Married couples who are in business together.	24 women in couple-owned new retail businesses in California. Re-interviewed 19 of 24 two years later.	<u>Psychology</u> : Qualitative and quantitative with questions on wives' decision-making and influence including negotiations and conflicts.	Spouses have different spheres of influence in decision-making. Business gender-type and number of hours wife worked in business impacted influence level at both work and home.
Ponthieu & Caudill (1993 – U.S.) Journal article	Married couples who jointly own and jointly operate business organizations and who otherwise share risk, ownership, responsibility, and management by working together.	80 male and 104 female copreneurs in Dallas Metro area (did not indicate whether F/T or P/T).	<u>Business</u> : Quantitative. 15-item questionnaire using 5-point Likert scale on gender-based decision-making.	Copreneurs trust each other with decision-making equality, but male copreneurs are more likely to make solo decisions (vs. females who make decisions after consultation).
Marshack (1994 – U.S.) PhD thesis & Journal article	Couples who share ownership, commitment, and responsibility for a business. A subset of dual-career couples and a subset of family businesses.	30 full-time dual career couples and 30 full-time copreneurs (60 total respondents) from small comm.-unities in the state of Washington.	<u>Psychology</u> : Mixed Qualitative and Quantitative. Used 24-item Personal Attributes Questionnaire (Spence & Helmreich 1978) and Work-Home Identity Scale (Friedlander 1990)	Copreneurs and dual-career couples define home boundaries very differently. Conflict can be reduced if couples divide work based on task-ability (vs. gender roles).
Kranendonk (1996 – U.S.) PhD thesis	Married couples who own a franchise.	Owners of Sir Speedy Printing Franchises throughout the U.S.	<u>Cultural Anthropology</u> : Qualitative and Quantitative. FACES II marital inventory used.	Couples have a tendency toward enmeshment. Work life is hierarchical and complementary. Rules and role allocations are easily changed when required.
Foley & Powell (1997 – U.S.) Journal article	Businesses run by husbands and wives working together full-time.	Conceptual paper only (no sample)	Conceptual paper only (no sample)	12 propositions for further study on the relationship between conflict, satisfaction and success.
Tompson & Tompson (2000 – NZ) Conference proceedings	Husband & wife partnerships (or life partners) that co-own and co-manage a small business. Couples striving to manage a business relationship and personal relationship concurrently.	Allowed 50% joint ownership. Review of prescriptions in popular press (no sample)	Summarizes treatment of copreneurship in popular press (no sample)	Concludes that a clear picture of copreneurship will come only from multi-disciplinary input. Field is complex, but has implications for the economy and marital stability of a country.

**Table 7: Chronological Review of Copreneurial Literature (cont'd)**

Author and Country	Definition Used	Sample	Discipline and Instrument	Findings
Smith (2000 - Australia) Journal article	Married or unmarried couples who jointly own and manage a business with less than 20 employees, and who share commitment to and responsibility for the venture.	20 couples in a Sydney suburb. 12 of 20 couples worked full-time.	<u>Business</u> : Qualitative, semi-structured interviews conducted separately with each partner.	Copreneurship offers a business lifestyle in which both partners are better able to manage their work and family responsibilities in accordance with their individual strengths and preferences.
Fitzgerald & Muske (2002 – U.S.) Journal article	A business manager in a marriage-like partnership with a household manager, where the household manager also works in the business and is a major decision-maker in the business. Co-ownership not required.	211 copreneurial couples. Owner/manager required to work at least 312 hours a year; no requirement for spouse. (Based on National Family Business Survey 1997-2000)	<u>Family Business</u> : Quantitative. survey conducted via phone. Separate questionnaires for business manager and household manager. Compared 211 copreneurs to 426 <i>non-copreneurial family</i> business households.	Copreneurs are more likely to live in rural areas, have spouses working more weeks per year in the business, and have home-based businesses. Copreneurs report significantly lower levels of financial success and are more likely to view business as a way of life than a way to earn income.
Danes, Rueter, Kwon & Doherty (2002 – U.S.) Journal article	Farm couples (excluding hobby farms).	207 farm families in the state of Minnesota.	<u>Business</u> : Quantitative. Questionnaire. Applied the Family Fundamental Interpersonal Relationship Orientation (FIRO) model (Doherty & Coangelo 1984) in measuring inclusion, control and integration.	Family businesses will remain more resilient in times of change if the leaders understand and reassess patterns of inclusions when change is initiated.
Muske, Fitzgerald & Kim (2002 – U.S.) Journal article	Same as Fitzgerald & Muske 2002. (Based on National Family Business Survey 1997-2000)	211 copreneurial couples. Owner/manager required to work at least 312 hours a year; no requirement for spouse.	<u>Family Business</u> : Qualitative. Questionnaire. Examined copreneurs and noncopreneurs by business type on household, business and success variables.	Successful copreneurs were older, with more established businesses. Successful businesses tended to be manufacturing and product-based (farms) vs. home-based service organizations.
Danes & Olson (2003 – U.S.) Journal article	Same as Above (Based on National Family Business Survey 1997-2000)	A subset of 391 households where the husband owned the business and the wife assisted. Owner/manager required to work at least 312 hours a year; no requirement for spouse.	<u>Business</u> : Quantitative. An extracted portion of the survey results from questions dealing with the Family FIRO and Family APGAR (adaptation, partnership, growth, affection and resolve) were analysed to explore tensions when wife also worked in the business.	Having a second family member (wife) work in the business impacted certain types of inclusion tension and affected business and family success outcomes. Also found that there is a threshold at which business tension begins to affect business success negatively.
Muske, Fitzgerald & Haynes (2003 – U.S.) Journal article	Same as Above (Based on National Family Business Survey 1997-2000)	211 copreneurial couples. Owner/manager required to work at least 312 hours a year; no requirement for spouse.	<u>Family Business</u> : Quantitative. An extracted portion of the survey results from questions dealing with family-business intermingling. Compared copreneurs with noncopreneurs.	Being a copreneurial business alone significantly increased the likelihood of overall intermingling as well as family-to-business intermingling. Copreneurs are more likely than noncopreneurs to intermingle family-to-business finances to increase overall well-being of both business & family.

**Table 7: Chronological Review of Copreneurial Literature (cont'd)**

Author and Country	Definition Used	Sample	Discipline and Instrument	Findings
Muske & Fitzgerald (2006 – U.S.) Journal article	Same as Fitzgerald & Muske 2002. (Based on National Family Business Survey 1997-2000)	211 copreneurial couples. Owner/manager required to work at least 312 hours a year; no requirement for spouse.	<u>Family Business</u> : Quantitative. Follow-up study on sample copreneurs who stayed and those who exited between 1997 and 2000.	Copreneurs who stayed were likely to be older, more educated, running larger, more successful businesses. Those who discontinued had lower levels of education and success.
Cole & Johnson (2007 – U.S.) Journal article	Couples who work together in first-generation family business (one gay couple was included).	9 couples throughout U.S. in first-generation family business who are separated or post-divorce	<u>Family therapy &amp; business</u> : Qualitative. Grounded theory. Face-to-face semi-structured interviews - together and separately	Copreneurs who have a great deal of trust in one another can continue to work together post-divorce, even if infidelity was the basis of the divorce or separation.
Millman & Martin (2007 – U.K.) Journal article	Businesses set up by two people, in a relationship such that they share home as well as work roles; often termed "Mom and Pop" firms, these varied in terms of marital status and children.	5 copreneurial rural food companies where women took a lead role in business strategy.	<u>Business</u> : Qualitative. Case study over six months of couple interviews and review of business documents.	Women with overall responsibility for strategic management of both business and household (with subordinate male partner) achieved successful balance.
Harris, McIntosh & Lewis (2007 – NZ) Journal article	Couples who jointly own and manage a commercial hosting business out of their primary home.	12 individuals engaged in P/T and F/T home hosting in Auckland and Waikato.	<u>Business</u> : Qualitative. interviews on work-life balance. 3 couples interviewed together; 6 individuals interviewed separately.	Hosts predominantly view their commercial home as a home first and foremost rather than a business. Authors question whether current theory is adequate for understanding the home enterprise.
Bell (2008 – U.S.) PhD thesis	A couple who has majority ownership of a business and operates it together.	9 couples in Missouri and Arkansas. Full-time and in business at least 10 years.	<u>Marriage &amp; Family Therapy</u> : Qualitative. Questions on the impact the business has on the family. Couples interviewed together.	A couple who embraces the business as a way to seek maturity and enrichment within their marriage will grow throughout the adventure.
Muske, Fitzgerald, Haynes, Black, Chin, MacClure & Mashburn (2009 – U.S.) Journal article	Same as Fitzgerald & Muske 2002. (Based on National Family Business Survey 1997-2000)	211 copreneurial couples. Owner/manager required to work at least 312 hours a year; no requirement for spouse. Compared to 462 noncopreneurs.	<u>Family Business</u> : Quantitative. An extracted portion of the survey results from questions dealing with family-business intermingling. Compared copreneurs with noncopreneurs.	Copreneurs are more likely to intermingle than non-copreneurs. Over time, the use of home as collateral for business needs increased business profit, while using business cash for the family decreased the feeling of success. Intermingling is less necessary when the business and family are doing well financially.
Pratt (2009 – U.S.) Conference proceedings	Husbands and wives who operate together in two domains: family and business.	1.7 million sole-proprietor respondents in U.S. Census data base. Differentiated husband (73%) or wife (27%) as primary operator of joint business.	<u>Business</u> : Quantitative analysis based on 2002 U.S. Survey of Business Operators (SBO). Nonfarm sample. Note: Survey did not include couples who jointly owned and operated the business together.	Most copreneurs are in urban areas. Male firms concentrated in construction industry; female in retail. Financial success depends on firm having employees in a non-home-based location

**Table 7: Chronological Review of Copreneurial Literature (cont'd)**

Author and Country	Definition Used	Sample	Discipline and Instrument	Findings
Bjornberg & Coyle-Shapiro (2009 – U.K.) Conference proceedings	Used Muske & Fitzgerald's (2002: 14) definition: (1) Involved in a marriage or marriage-like relationship; (2) both work in the business; and (3) both are joint decision-makers in the business.	Not based on a sample.	<u>Theoretical Model:</u> Based on exchange relationships and communal relationships.	Model based on an extension beyond social exchange theory to include communal norms permits identification of factors that contribute to effective use of copreneurial "capital" and marital well-being of the couple.
Helmle (2010 – U.S.) PhD thesis	Married couples who own and operate their family business and whose business is designated as a small business.	105 U.S. couples used survey instrument – in multiple states; 20 couples in Calif. for face-to-face interviews.	<u>Communication Studies:</u> Mixed Quantitative and Qualitative. Survey and face-to-face interviews.	The more copreneurs successfully negotiate tension in their relationship, the higher levels of work-family balance and relationship satisfaction they report (and vice versa). Preference for talking about work in the family domain.
Fletcher (2010 – U.K.) Journal article	Couples who are involved in business ventures. Identified nine typologies in co-preneurial situations representing different ownership and management structural dimensions.	26 couples in the North Nottinghamshire region.	<u>Business:</u> Qualitative. Face-to-face and telephone interviews	Found business-making and life-making are one and the same process, with life-making significantly (if not wholly) centered on the business venture.
Welk, Fitzgerald & Muske (2011 – U.S.) Conference proceedings	Same as Fitzgerald & Muske 2002. (Based on National Family Business Survey 1997-2000)	289 business owners or managers.	<u>Family Business:</u> Quantitative. An extracted portion of the 2000 survey results from questions dealing with social responsibility (community). Compared copreneurs with noncopreneurs.	No significant difference was found between copreneurs and noncopreneurs. Longevity of business influenced community factors; marital status was a positive predictor of community support for both copreneurs and noncopreneurs.

Source: Author. Elements adapted from McMurray, Pace and Scott (2004)

A review of these 31 sources (1971 – 2011), their definitions and methodologies reveals a fragmented research lineage with a lack of comprehensive research questions and little progress toward identification of the copreneurial enterprise systems and how the system components function toward business and

relationship outcomes. This lack of system focus is similar to the gap in general family business literature as reported by Sharma (2004).

1. *Author/Country*: Studies are predominately U.S.-based and all are single-country studies. Results are published in a variety of texts, including journal articles, books, theses and conference proceedings. Small international studies (outside the U.S.) were conducted in Australia (Smith 2000), New Zealand (Tompson & Tompson 2000; Harris, McIntosh & Lewis 2007); and the UK (Millman & Martin 2007; Fletcher 2010). With samples of 18, 10, 12 and 26 respondents respectively, the studies can be considered exploratory but not applicable to a wide range of businesses or cultures. It is encouraging that non-U.S. based studies have appeared in the literature since 2000. The absence of cross-national studies is an identified gap in the research.
2. *Definitions*: Definitions have both similarities and differences. There is common language that describes two people who share ownership and management of a business. The precise terms used to describe the partners in the study definitions revealed small but important differences.

**Table 8: Terms Used in Copreneurial Definitions**

<b>Term</b>	<b>Frequency</b>
Couple	8
Husband and wife	7
Business manager and Household manager	8 (7 from NFB Study; 1 other)
Married couples	4
Two people in a relationship... "Mom and Pop"	1
Married and unmarried couples	1
Husband and wife, life partners and couples	1
Farm couples	1

The variation is primarily in the words used to construct the definitions (*couple* vs. *husband and wife* vs. *married couple*). This is in contrast to the significantly larger heterogeneity issue in the general family business literature, as previously noted. Although Fletcher (2010) identifies nine copreneurial “situations” in which heterogeneity can occur *in samples*; the copreneurial definitions use similar terms and all studies since 1988 have cited Barnett and Barnett (1988) as having coined the term.

3. *Sample*: A review of the studies indicates what Sharma (2004) calls a “hodge podge” of samples with single industries often represented, including lawyers (Epstein 1971); psychologist couples (Bryson et al. 1976); new retailers (Wicker & Burley 1991); printing franchise owners (Kranendonk 1996); farm couples (Danes et al. 2002); rural food companies (Millman & Martin 2007); and home hosts (Harris, McIntosh & Lewis 2007). Studies were conducted in single suburbs (Smith 2000) and single cities (Ponthieu & Caudill 1993; Fletcher 2010). Cole & Johnson (2007) studied U.S. couples who were separated or post-divorce. They also included the only identified gay couple.

Sample sizes range from 5 couples (Millman & Martin 2007) to 1.7 million couples (Pratt 2009). There was missing and/or inconsistent information in the article texts regarding whether samples were based on *full-time* or *part-time* involvement of both spouses in the business and what measures were used to screen the applicants. In the sample extracted from the 2002 Survey of Business Operators (Pratt 2009), data was analyzed from

1.7 million sole proprietorships in which both male and female partners were involved, but only one was designated as the operator of the business. The seven articles based on the National Family Business Survey (1997 and 2000) used a benchmark work requirement of six hours per week (312 hours per year) for the self-identified business manager and none for the household manager in selecting the sample for study. Not all samples utilized copreneurs from the same household. Ponthieu and Caudill (1993) surveyed 80 men and 104 women who were members of copreneurial households – but did not use matched couples.

Many of these samples vary from the essence of the Barnett and Barnett (1988) definition, which indicates a 24/7 business and personal partnership that is *outwardly equal*. This is perceived as a reflection of the newness of the field and lack of universal measure for the population itself. As the dominant empirical study of copreneurs using a conceptual model and a national U.S. sample, the NFBS and the seven articles in Table 7 (based on numerous aspects of copreneurship represented in the data) have significantly advanced copreneurial research. A limitation of the NFBS (from which the copreneurial subset was extracted) is that it required the couple to designate one spouse as a business manager and one as a household manager for the survey instruments (which were designed for *all family businesses*) – assuming the roles were separate and distinct. There was no opportunity to collect data from both spouses using the same questions in the case where both spouses shared equal management of the business.

Furthermore, the inclusion of both part-time and full-time copreneurs in the same sample may impact levels of commitment, decision-making and roles. Barnett and Barnett (1988), Marshack (1994) and Bell (2008) used full-time criteria. In the majority of the studies highlighted in Table 7, full-time criteria were either not used or not specifically indicated in the text.

4. *Discipline/Methodology*: The majority of the studies were business-based (17 of 31) with psychology, sociology, family therapy, communication and cultural anthropology also represented. Methodology was qualitative (12 of 31); quantitative (12 of 31) and mixed methods (3 of 31). Two articles were conceptual or did not involve a sample. One was a summary of popular press articles and one was a book chapter. Only the NFBS studies used a conceptual model to guide data collection; only Cole and Johnson (2007) and Pratt (2009) presented a model in their results. The lack of conceptual models for data collection and lack of models produced as outcomes are identified as gaps in the literature that will be addressed in this thesis.

### **5.1.2 The Chronological Development of Copreneurial Literature**

A review of Table 7 indicates chronological patterns in copreneurial research at the discipline level. In the 1970s, studies focused on husband and wife pairs (e.g. psychologists, lawyers) from the disciplines of sociology and psychology (Bryson et al. 1976; Epstein 1971). Although the first quantitative business study was reported in 1984 (Cox, Moore & Van Auken 1984), it focused only on the hierarchy of the marriage and business relationship. The first study where



enterprise outcomes were tied to business performance did not appear until 2002 (Muske & Fitzgerald 2002) – twenty years later. The period 1971 – 1991 was dominated by studies by psychologists and sociologists, with business researchers exploring issues of gender and work-family interface rather than business performance.

The copreneurial literature from 1992 – 2000 continued the trend of primary focus on the relationship, but delved into processes within the copreneurial enterprise, including trust and decision-making (Ponthieu & Caudill 1993); boundaries and transitions (Marshack 1994; Kranendonk 1996); and conflict resolution (Foley & Powell 1997) .

In 2000, the value of multi-disciplinary research was introduced by Thompson and Thompson (2000), suggesting that a clear picture of the complex field has implications for the economy and marital stability of a country. The connection between enterprise tasks and outcomes, first introduced by Marshack (1994) as a boundary issue that reduces conflict, was extended to include individual strengths and preferences relative to tasks (Smith 2000) and inclusion, control and integration during times of change (Danes et al. 2002).

As previously noted, the NFBS studies (2002 – 2011) introduced the relationship between business and household *outcomes*, formalizing copreneurial research into a sector with a large empirical study based on a national sample and findings that included both family and business issues. During the period 2002 – 2011, research was predominantly from the business discipline, with emerging themes

including copreneurs vs. noncopreneurs (Fitzgerald & Muske 2002; Muske, Fitzgerald & Haynes 2003; Muske et al. 2009; Welk, Fitzgerald & Muske 2011); the demographics of copreneurial enterprises (Fitzgerald & Muske 2002; Muske, Fitzgerald & Kim 2002; Pratt 2009); intermingling of home and business finances (Muske, Fitzgerald & Haynes 2003; Muske et al. 2009); strategic management (Millman & Martin 2007); and financial success (Fitzgerald & Muske 2002). The pattern of relationship-based research continued with business/family tension (Danes & Olson 2003); hierarchy of home and business (Harris, McIntosh & Lewis 2007; Fletcher 2010); marriage enrichment through business (Bell 2008); communication (Helmle 2010); social and communal exchange theory (Bjornberg & Coyle-Shapiro); and business ownership post-divorce (Cole & Johnson 2007).

Longitudinal studies were introduced by Muske and Fitzgerald (2006), Muske et al. (2009) and Welk, Fitzgerald and Muske (2011), the latter including the external issue of community for the first time.

### **5.1.3 A Review of Findings from Copreneurial Literature**

In the same 40-year timeframe represented in the Table 7 review of copreneurial literature, general family business literature has more clearly formalized theory-based research tracks, including strategic management, organizational theory, agency theory, and the Resource-Based View – with definitional, conceptual and empirical research reported in the literature (Chrisman et al. 2010).

Copreneurial literature has not progressed toward the development of research sectors, reflecting a lag behind general family business literature, perhaps due to

the absence of business-outcomes-related copreneurial studies prior to 2002 (Muske & Fitzgerald 2002). Notably absent from copreneurial literature is research based on values and vision (e.g. Carlock & Ward 2001 and Ward 2004 in family business literature) and research that follows business stages over time (e.g. Poza 2010 from family business literature).

The field of copreneurship research continues to be characterized by single-issue research at one point in time; there is a scarcity of long-term studies (more than three years) relative to business performance. Emerging sectors anchored in agency theory, strategic management, the Resource-Based View, succession, and empirical system models (developed specifically for copreneurs) are absent from the literature and current family business theory may not be adequate for understanding the views of copreneurs (Harris, McIntosh & Lewis 2007).

Early single-issue findings in copreneurial literature established that copreneurship offers structural opportunities for a successful combination of work and family life (Epstein 1971) but that enmeshment between work and home requires establishment of boundaries and separate roles (Barnett & Barnett 1988; Jaffe 1990; Kranendonk 1996; Laurence 1990; Nelton 1986; Marshack 1994; Rosenberg 1991). Success and satisfaction arising from mutual accomplishments achieved by working together was noted by Bryson et al. (1976), leading to a strengthened marriage (Cox, Moore & Van Auken 1984), thus establishing the research theme of reciprocity between marriage and business early in the literature, with the prioritization of marriage over business noted (Nelton 1986).

Single-issue research on decision-making spheres of influence is apparent in early copreneurial research (Rosenberg 1991; Wicker & Burley 1991) based on trust and equality (Barnett & Barnett 1988; Ponthieu & Caudill 1993) with work divided based on task-ability (not gender) found to reduce conflict (Foley & Powell 1997; Marshack 1994).

As previously reported, the period 2000 to the present has signalled a shift from relationship-based research to business research that *includes* relationship factors and has seen the advent of international studies of copreneurship (e.g. Smith 2000; Millman & Martin 2007; Harris, McIntosh & Lewis 2007; Bjornberg & Coyle-Shapiro 2009; Fletcher 2010).

The Sustainable Family Business Model (SFBM) and National Family Business Surveys (NFBS - 1997 and 2000) formalized copreneurial research as a subset of family business research while comparing copreneurial with noncopreneurial family businesses. Demographic findings describe copreneurs as living in rural areas with home-based businesses (the NFBS population included farm families); significantly lower levels of financial success; and viewing business as a way of life, rather than a way to earn income (Muske & Fitzgerald 2002). Successful copreneurs are older, educated, with larger, product-based companies (Muske, Fitzgerald & Kim 2002; Muske & Fitzgerald 2006).

When the population does not include farm families, most copreneurs are found in urban areas (Pratt 2009). Gender impacts choice of business with males concentrating in construction and females in retail and services (Pratt 2009).

Millman & Martin (2007) found copreneurs achieved successful balance of business and home when women were responsible for overall strategic management.

Reciprocity findings continue as a theme in the literature, with inclusion of the second spouse in business impacting business tension and business and family success (Danes & Olson 2003); the intermingling of finances used to increase overall well-being of both the business and the family (Muske, Fitzgerald & Haynes 2003), particularly use of the home as collateral for business needs (Muske et al. 2009); and the business described as a vehicle for maturity and enrichment toward growth of both business and marriage (Bell 2008).

Since 2000, relationship research continues to explore the personal copreneurial partnership, but includes reciprocity *with business* as a more prominent focus than pre-2000. Bjornberg & Coyle-Shapiro (2010) extend the theory of social capital in family business to identify “spousal capital” (exchange and communal) among couples starting a business, finding that “spousal capital is an important resource for entrepreneurs starting a business because it has implications for business sustainability and couple relationship quality.” (p. 60). Cole & Johnson (2007) found that couples who have a great deal of social capital in the area of trust can continue to work together post-divorce, even if the marriage failed because of infidelity.

The issue of boundaries and integration research continues post-2000 with “life-making” and “business-making” one and the same process (Fletcher 2010),

extending the original work of Barnett and Barnett (1988) who found there are no boundaries between work and family or work and play. Integration with the greater external *community* based on SFBM II (Heck at al. 2006; Stafford et al. 1999; Welk, Fitzgerald & Muske 2011) indicate positive relationships between longevity of business and community, as well as between marital status and community support. Recent research confirms the ongoing impact of reciprocity – that negotiating tension between relationship and business is key in the *personal* relationship with a preference for talking about work in the family domain suggested by Helmle (2010); and Fletcher (2010) concluding that “life-making” is significantly (if not wholly) centered on the *business* venture.

The examination of themes in the copreneurial literature reveals a broad range of descriptive and comparative statistics (copreneurs vs. noncopreneurs); single-issue findings (gender, decision-making, work-family interface); and therapeutic recommendations on the reduction of conflict – but no clear research direction or commonality, particularly a comprehensive system view that explores stages of business and family (Poza 2010), taking into account macro, meso and micro issues. Taken as a whole, the literature on copreneurs is reflective of a general lack of clear and comprehensive research for this subset of family business that encompasses a population as diverse as farmers, franchisees, service providers, artists, and manufacturers and includes both small businesses and large corporations.

The above review and discussion reflects two gaps in the copreneurial literature relevant to this thesis:

1. The lack of current research on clearly defined, full-time, first-generation copreneurs; and
2. The lack of system research on sustainability of copreneurial ventures over more than three years.

Both gaps are addressed in this thesis. A third gap – the lack of models of the sustainable copreneurial venture – will be discussed and identified in Chapter 6.

The literature also reflects gaps in methodology:

1. The need for distinct definitions and homogenous samples;
2. The need for studies based on theoretical frameworks; and
3. The need for system-level, multi-disciplinary research.

## **5.2 THE SIGNIFICANCE OF COPRENEURS AS A UNIT OF ANALYSIS**

The significance of copreneurs as a unit of analysis is summarized by Bjornberg and Coyle-Shapiro (2009):

Copreneurial relationships are close, multi-dimensional, and constitute a unique microcosm where personal and business issues converge. First, they involve a dual contract – marital and professional. As business and romantic partners, entrepreneurial couples have both exchange and communal dimension to their relationship. Second, both partners represent the organization as leaders. Third, as co-leaders and joint decision-makers, they are peers and accountable to each other. (p. 2).

Blenkinsopp and Owens (2010) suggest that copreneurs as a unit of analysis have extended value for both family business and entrepreneurship research:

There has been a growing acknowledgement of the need to build bridges between the study of entrepreneurship and family firms (p. 357).... We suggest that since most 'family firms' are actually copreneurial, we might investigate copreneurship as the smallest unit of analysis, both for its own sake and for the insights it might offer into the likely dynamics of larger family firms (p. 359).... Research projects which, at our current state of understanding, would be overly daunting and hugely complex to design when applied to an extended family become manageable and realistic if the focus is narrowed solely to the couple. Such projects could provide researchers with crucial insights with which to then progress to examining the wider family system and its greater complexity (p. 367).

Positioning copreneurs as a bridge between entrepreneurship and family business adds relevance beyond significance based on the size of the subgroup (10.1% of all family businesses) and the relative definitional homogeneity among copreneurs when clear definitions are used. Five additional aspects of copreneurship emerge as relevant in both family business and entrepreneurship research literature:

**1. Copreneurs comprise a female and a male entrepreneur with equal ownership and management within one enterprise, providing rich insight into co-gender entrepreneurship.** Carter (2000) summarizes the literature on gender in entrepreneurship, observing that women and men entrepreneurs have more similarities than differences: (1) Reasons cited by both genders for starting a business were the search for independence



and control over one's destiny (from Goffee & Scase 1985; Hisrich & Brush 1986); (2) Although women initially have less access to capital and less success mobilizing start-up resources and networks (from Hisrich & Brush 1986), few differences exist *post start-up phase* (from Birley 1989). Du Rietz and Henrekson (2000) confirmed that significant performance differences did not exist between male and female entrepreneurs; and Watson (2003) found the same lack of significance in failure rates between male- and female-owned businesses. Carter (2006) notes the few recent studies that have explored female performance and sustainability provide "unequivocal evidence that female owned enterprises do not lack the competence to run successful enterprises, they simply lack the initial resources" (p. 10).

The opportunity to study a male and a female entrepreneur together in the same business where resources are combined and leveraged adds dimension to this research area. For example, elements cited by Carter (2000) – the female entrepreneur's weaker financial position and under-capitalization at start-up – may be offset by a male partner who has a greater access to capital and financial networks.

**2. Commitment and culture in copreneurial firms radiate directly from the two founders' personal values and goals.** Referring to family businesses in general, Kotey and Meredith (1997) found that, "owner-manager personal values, business strategies and enterprise performance are empirically related" (p. 60), and further that entrepreneurial personal

values and proactivity in strategy orientation lead to high performance. A significant proportion of family business models include family values and family resources applied in tandem with business philosophy and business resources to produce competitive advantage and sustainability (Carlock & Ward 2001; Habbershon, Williams & MacMillan 2006; Ward 2004). This notion of 'familiness' as a source of competitive advantage derives from Habbershon and Williams' (1999) adaptation of the Resource-Based View to family business. In the copreneurial enterprise, the research opportunity exists to explore a strong, unified culture of 'familiness' (values, goals and commitment) and its link to enterprise success and sustainability.

Furthermore, copreneurial enterprises often reflect integration of business, family and personal values. According to Barney and Clark (2007), "it is these core values (about how to treat employees, customers, suppliers and others) that foster innovativeness and flexibility in firms; when they are linked with management control, they are thought to lead to sustained competitive advantage" (p. 80). Integrated values and managerial control – both centralized in two copreneurial founders – provides an opportunity to explore relationships that lead to sustained competitive advantage.

**3. In copreneurial enterprises, core competencies and skill sets are leveraged within stable management structures with long-term commitments.** Clark's (2000) work on implementation of core competencies in business revealed that several factors impede

implementation of core competence strategy, including change of leadership, ownership and structure during the strategy-making process. In the successful copreneurial enterprise – with its foundational marriage commitment – leadership, ownership and structure have an inherent long-term focus. This is particularly true with life-style copreneurs (those who view the business as the means to a desirable lifestyle). This long-term, stable environment allows longitudinal studies of co-entrepreneurs over many decades and the examination of family business structures in which agency costs are low.

**4. Copreneurs can be found in every industry, country and culture.**

The presence of copreneurs in global business allows cross-national studies and cross-cultural comparisons of both small and medium enterprises (SMEs) and multi-national corporations. The range of copreneurial businesses spans from small restaurants and service providers to U.S.-based companies Liz Claiborne and W. L. Gore and Associates (Gore-Tex).

**5. Copreneurs are positioned as a clear, significant subset in all seminal family business models.**

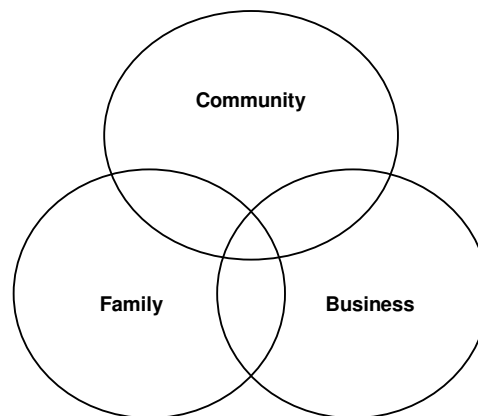
The majority of family business studies include data collected from an amalgamation of family and non-family members, direct and indirect influencers. In contrast, copreneurs represent a cohesive sample with simultaneous direct membership and direct influence in all sub-sections of seminal family business models. Section 5.3 maps the central position of copreneurs within the literature on

family business models and anchors the subset in family business literature, particularly the suitability of the subgroup for exploratory research using family business models.

### 5.3 MAPPING THE COPRENEURIAL POSITION

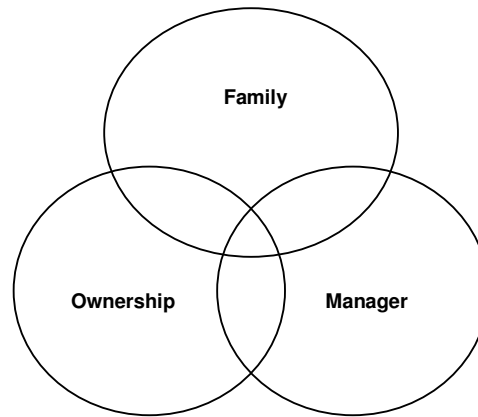
Following are elements from family business models, presented in three-circle configurations based on the populations represented in each model. While the models differ in concept, there is one common theme – in each case, *copreneurs* are positioned at the intersection of the three populations (i.e. copreneurs are *inclusive* in each of the individual circles that form the model and are therefore at the heart of all of them). The following models (Figures 6-10) are adapted from the literature by the author.

**Figure 6: Position Map #1: Based on elements in the Sustainable Family Business Models I and II (Heck et al. 2006; Stafford et al. 1999)**



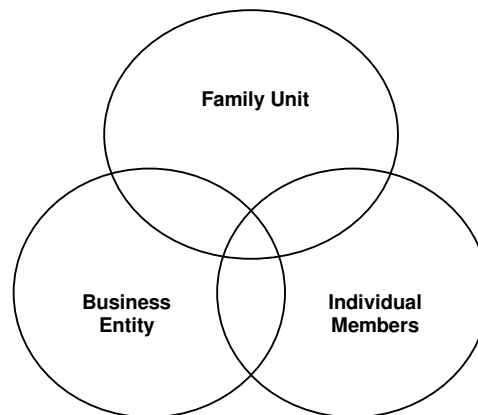
Copreneurial businesses include overlapping populations of *Family* and *Business*, with business and family aligned within the greater social context of *Community*.

**Figure 7: Position Map #2: Based on Three-Circle Model (Gersick et al. 1997)**



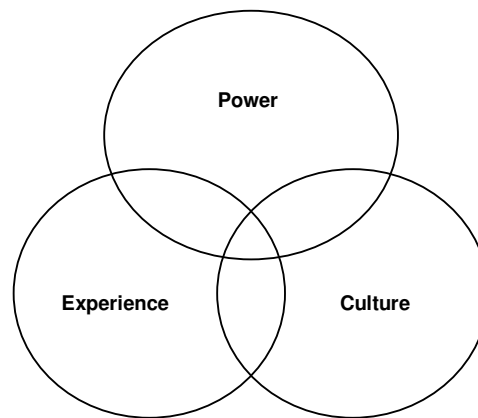
1. Copreneurs are both members of the same *Family*.
2. They are both *Owners* of the business as well as *Managers* of the business.

**Figure 8: Position Map #3: Based on Unified Systems Model (Habbershon & Williams 1999; Habbershon, Williams & MacMillan 2006)**



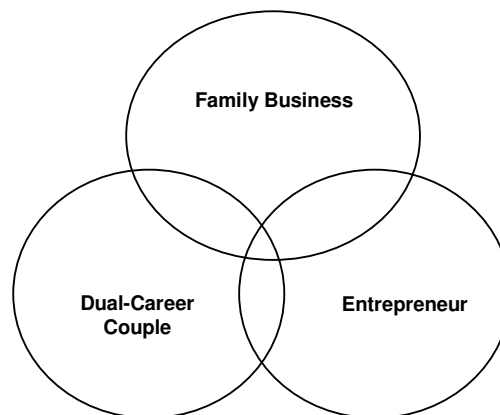
1. Copreneurs are leaders of the *Family Unit*, with control over resources.
2. Copreneurs are owners, managers and decision-makers within the *Business Entity*.
3. Copreneurs are *Individual Members* of both the *Family Unit* and the *Business Entity*.

**Figure 9: Position Map #4: Based on F-PEC Index of Family Influence (Astrachan, Klein & Smyrnios 2006)**



1. Copreneurs influence the business directly through executive leadership and decision-making on the *Power* dimension (ownership, governance, management).
2. Copreneurs influence through *Experience* as active and contributing family members.
3. Copreneurs influence and create *Culture* through personal values and commitment.

**Figure 10: Position Map #5: Based on Population Membership**



1. Copreneurs are a subset of *Family Business*.
2. Copreneurs are considered *Dual-Career Couples*.
3. Copreneurs are within the population of *Entrepreneurs* (male and female).

The value of copreneurs based on their representation and direct influence in all circles of the preceding five figures positions them as a rich, relevant subset for study. In addition, elements from the adapted family business models may be used with confidence to develop a theoretical model for data collection. This will mitigate reliability and validity issues and provide greater confidence that the qualitative data will yield results compatible with general family-business research models. It may also enhance development of a model based on the analysis of the data. Development of a theoretical model will be discussed in Chapter 6 – Conceptual Model Development and Chapter 7 – Methodology.

In sum, as a subset of family business, copreneurs have much to offer. Copreneurs can be defined, identified, studied and compared as a category. They have unique attributes and considerable impact based on two equal owner/managers in the same firm. Their suitability for longitudinal study is also evident, although most researchers have failed to consider the sustainability of copreneurial ventures.

Chapter 5 has presented a comprehensive review of copreneurial literature. Chapter 6 will discuss family business models and the development of the Conceptual Model of the Copreneurial Enterprise based on the literature.

## **Chapter 6: Conceptual Model Development**

### **INTRODUCTION**

The purpose of this chapter is to review and evaluate seminal family business models and discuss how the models were incorporated into the development of the Conceptual Model of the Copreneurial Enterprise used to gather data for this thesis. Section 6.1 identifies and introduces the literature on six family-business system models. Section 6.2 discusses the limitations within each of the six models. Section 6.3 summarizes the gaps in the literature from Chapters 3, 4, 5 and 6. Section 6.4 identifies the research question. Section 6.5 describes the development of the Conceptual Model of the Copreneurial Enterprise, including theoretical foundations from both family business models and seminal literature previously discussed in Chapters 3, 4 and 5.

### **6.1 FAMILY BUSINESS SYSTEM MODELS**

*"Systems theory* is the theoretical approach most often used in the scholarly study of family business. It remains pervasive in the literature today" (Poza 2010, p. 7). The complexity of the family business system is undeniable, with researchers from management, organizational studies, strategy, human resource management, finance, family therapy, psychology, sociology, economy, law and history active in the literature, and top management journals exploring the unique aspects of the family business (Gersick et al. 1997; Poza 2010). Family influences appear throughout the strategic management system in family business (Sharma, Chrisman & Chua 1997) with strategic planning incorporating both management and family shareholders (Poza 2010). As previously noted in Chapter 4, single-system (family business) and dual-system (family *and*

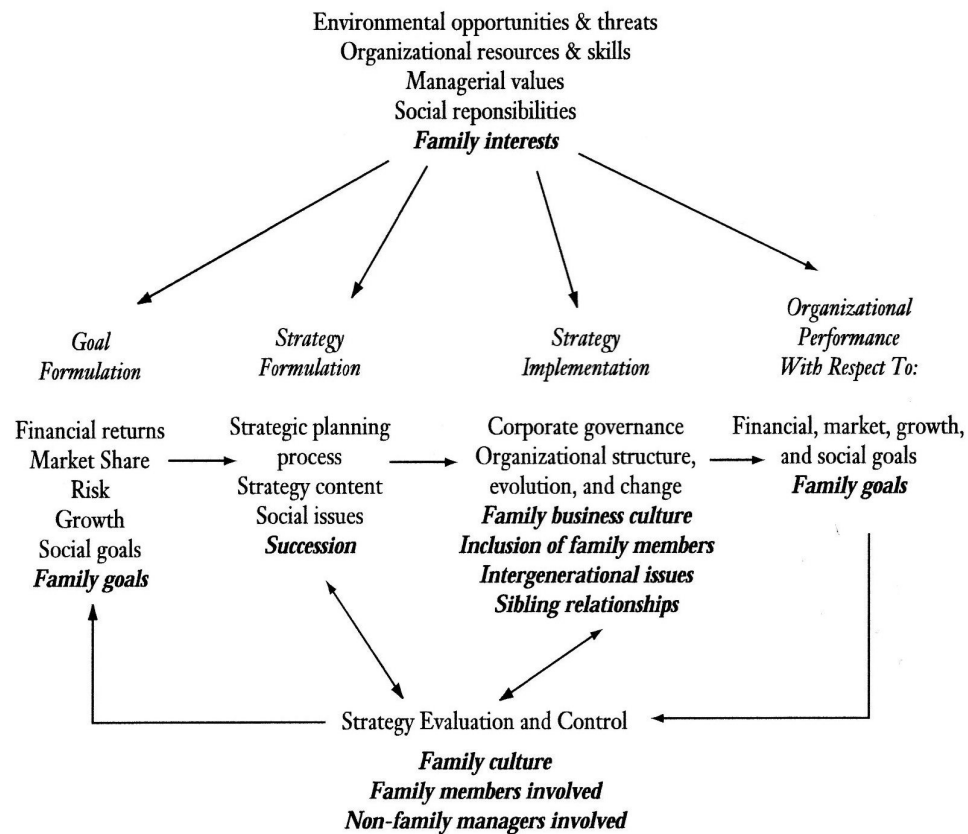


business) paradigms appear in the literature and further complicate model development; however, “a well-developed system model of family businesses could guide research based on the single system paradigm as well as the dual system paradigm” (Stafford et al. 1999, p. 197).

Early family business models based on a system of overlapping circles appeared in the literature with two-circle (Family/Business) and three circle models portraying varying degrees of overlap described among the sub-systems (e.g. Family-Ownership-Business: Tagiuri & Davis 1982; Tagiuri & Davis 1996; Family-Ownership-Management: Gersick et al. 1997). The overlapping-circle models were characterized as useful “for describing the complex individual and organizational phenomena associated with the overlapping subsystems and for identifying stakeholder perspectives, roles, and responsibilities” but limiting in their absence of explanation of the relationship between performance and outcome (Habbershon, Williams & MacMillan 2006, p. 68 referencing Chua, Chrisman & Sharma 1999). Sharma, Chrisman and Chua (1997) delineated the pervasive nature of family business influence, attributing specific *elements* to external and internal areas of the strategic management process (incorporating Andrews 1971; Hofer & Schendel 1978; Schendel & Hofer 1979) (see Figure 11) and highlighting the potential for integration of elements (e.g. interests, goals, culture).

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**Figure 11: The Strategic Management Process**



*\*Family influences appear in boldface italic*

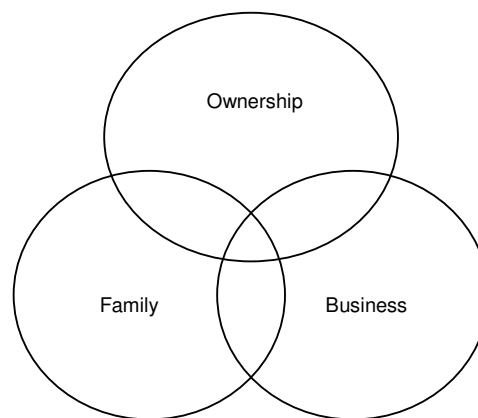
Source: Sharma, Chrisman and Chua (1997)

Family business models comprising primarily separate domains (family, business, owner, manager, individual) with partial (minimum) overlap remained the norm throughout the first 20 years of family business literature (1986–2006) with strategy, planning and performance of family firms frequently expressed in terms of tensions and contradictions between the two systems – family and business – particularly when individuals are a member of more than one sub-system (Habbershon, Williams & MacMillan 2006).

A review of family business model development (in chronological order) follows with a discussion of elements relative to the thesis:

1. Tagiuri and Davis (1982) propose a three-circle model for the family business system, incorporating the component of *ownership* to the previous family/business domain dyad. Key attributes represented in the overlap include simultaneous roles, shared identity, a life-long common history, emotional involvement, mutual awareness and the symbolic meaning of the family company (Davis & Tagiuri 1989).

**Figure 12: Three-Circle Model #1**



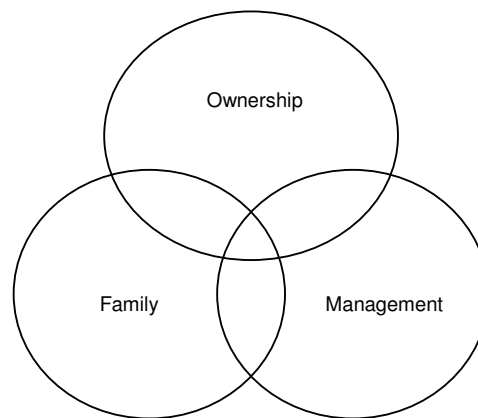
Source: Tagiuri and Davis (1982)

As previously noted in the discussion, the inclusion of additional variables such as ownership, management and non-family members (employees and other influencers) in family business models fuelled the move toward closer scrutiny of family business structures and inspired discussion of various configurations of involvement, intent, influence and control, paving the way for Sharma's (2002) work on the mapping of 72 distinct non-overlapping categories of family business.

Whether the delineation of domains with overlap (interfaces) is productive to unified research (or not), it does reinforce the need for research that is clear in definition and theoretical structure, as Dyer (2003) suggests. The Venn diagram models accurately portray the potential for variety and complexity in the sub-systems within family business enterprises.

2. Gersick, Davis, Hampton and Lansberg (1997) reinforced the influence of both family and non-family members in roles (ownership, management), incorporating elements of agency theory and consideration of the organizational dynamics of non-family strategic management and the interplay between owners and managers.

**Figure 13: Three-Circle Model #2**

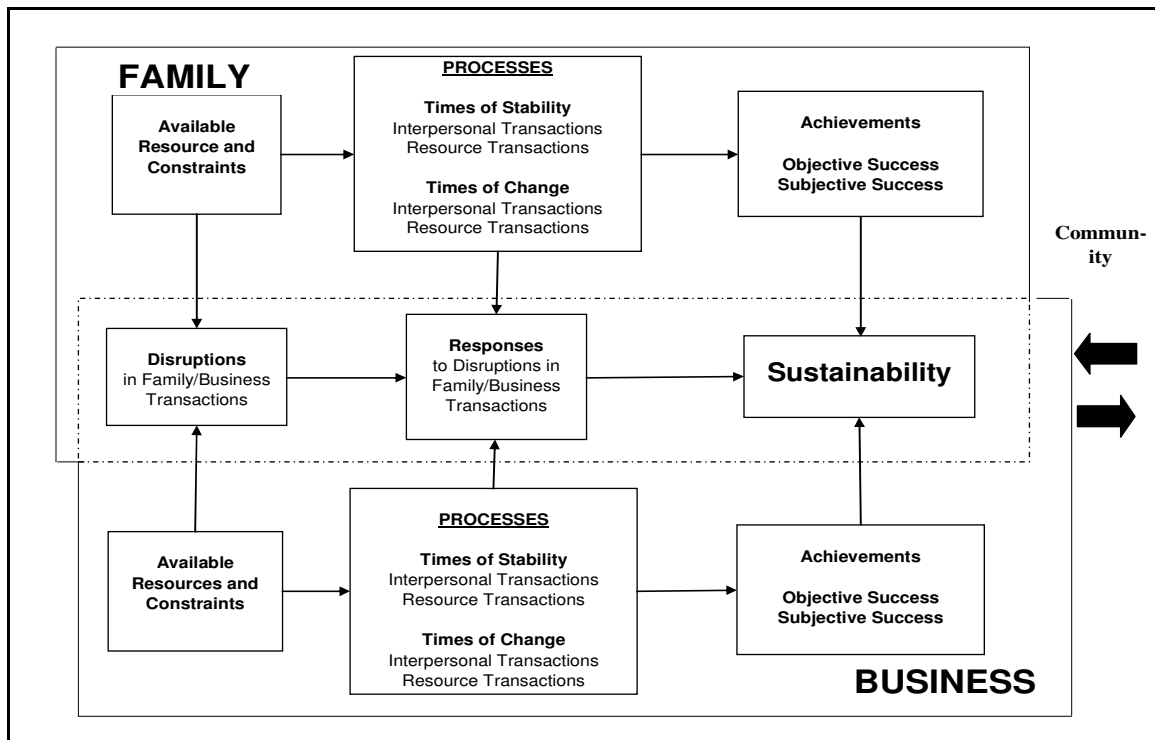


Source: Gersick, Davis, Hampton and Lansberg (1997)

3. Stafford et al. (1999) elaborated on the basic elements of family, business, ownership and management with the Sustainable Family Business Model (SFBM). The SFBM includes the separate functional areas of Family and Business, as well as an area for “Disruptions” and “Responses to Disruptions”

between the two. According to the authors, it is the confluence of the three (family success, business success, and appropriate responses to disruptions) that leads to sustainability (Stafford et al. 1999).

**Figure 14: Sustainable Family Business Model**



Source: Stafford et al. (1999); Heck et al. (2006)

The landmark model includes Family at a comparable level of detail with Business, with input variables of “Resources and Constraints” together with “Processes and Responses” leading to family and business “Achievements” and ultimately “Sustainability.” The SFBM shares the same balanced structure of previous models – components of equal size and uniform positioning, with a delineation of detail in each. However, according to the authors, the SFBM is designed to gather information on a *continuum* of family/business relationships – from Family First to Business First.

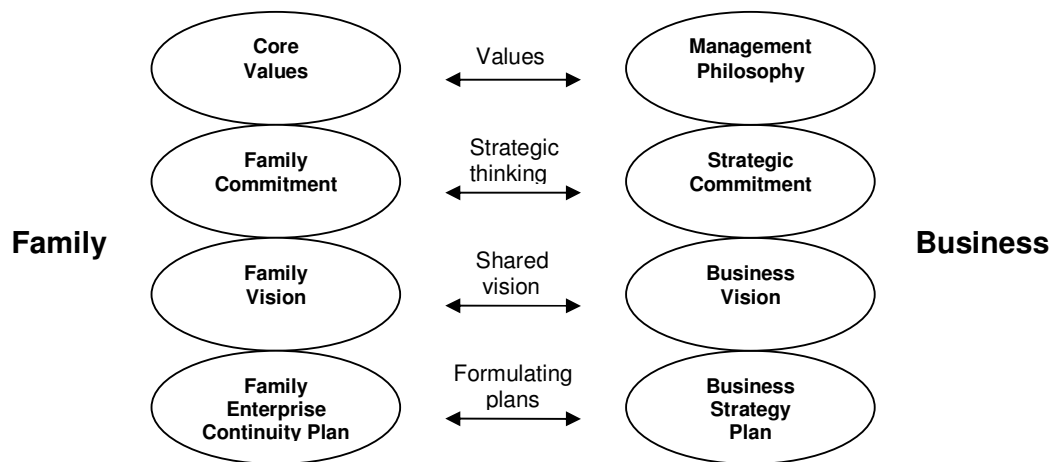
The model is designed to answer questions posed by family business researchers, including, “(1) Are there common patterns in the ways business-owning families integrate their families and businesses? and (2) What are the implications of their integration strategies?” (Stafford et al. 1999, p. 198; Whiteside & Herz-Brown 1991). The authors describe the SFBM as a model grounded in systems theory that “pairs a model of family business success with a model of family functionality to yield a model of family business sustainability” (Stafford et al. 1999, p. 203).

As the primary theoretical framework used in the study of copreneurs in the U.S. (e.g. Fitzgerald & Muske 2002; Haynes, Onochie & Muske 2007; Muske & Fitzgerald 2006; Muske, Fitzgerald & Haynes 2003; Muske, Fitzgerald & Kim 2002; Muske et al. 2009; Welk, Fitzgerald & Muske 2011) the elements in the SFBM are important to consider in the development of subsequent frameworks for copreneurial research. Of further interest is an enhancement of the original SFBM (Stafford et al. 1999) to include an external “Community” element (Heck et al. 2006) designed to “guide the evaluation of the economic and social contributions of family businesses to their communities, and the impact of the community context on the family and its business” (p. 93). This addition was a first for family business models, which had previously focused on internal structures and business processes, without the social and community component. The interconnectedness between family businesses and their communities is explored in this thesis.

Heck et al. (2006) offers an analytical review of the SFBM, commenting that its utilization of both family systems theory and business systems, as well as their overlap, places entrepreneurship of the business “within the social context of the family, indicating that this social network is the milieu out of which the family business initiates, grows, and encounters transitions” (p. 87). They contend this broader vista offers an opportunity for richer understandings, with the SFBM as the means to provide them. However, this proposition has not yet been tested in the field.

4. Carlock and Ward (2001) and Ward (2004) suggest an alternative view of system sub-elements in the Parallel Planning Process Model – an integration of business values, strategic thinking, shared future vision, and plan formulation.

**Figure 15: Parallel Planning Process Model**



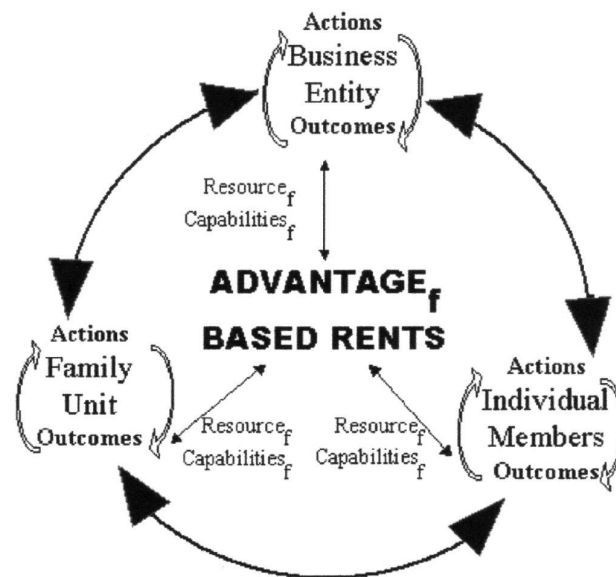
Source: Carlock and Ward (2001); Ward (2004)

Carlock and Ward’s (2001) Parallel Planning Process Model differs from the Sustainable Family Business Model in that the model doesn’t assume that the

overlap areas hold only disruptions and responses to the disruptions. The Parallel Planning Process Model contains strategic planning functions that encompass both family and business issues. Ward (2004) elaborated on the nature of family business planning as a system with two interrelated components that may be expressed as family planning and business planning with parallel functions as required. The theoretical model provides a more comprehensive system view of “familiness” as being more than resources, constraints and disruptions, but has not been empirically tested in the field.

5. Habbershon, Williams and MacMillan (2006) depart from balanced models and parallel systems with a circular configuration in the Unified Systems Model.

**Figure 16: Unified Systems Model**



Source: Habbershon, Williams and MacMillan (2006)



Three elements are presented as three points on one circle: a Business Entity; a Family Unit; and Individual Members. This approach was a departure from inclusion of only function-specific elements of ownership and management in the three-circle models (Gersick et al. 1997; Tagiuri & Davis 1982) toward inclusion of *the individual* (i.e. members of the family business who are both inside and outside the family unit). Each element (business, family, individual) includes the related factors of Resources & Capabilities; and Actions & Outcomes, extending the emphasis on resource inputs and achievement outcomes similar to those proposed in the SFBM (Stafford et al. 1999).

In developing the Unified Systems Model Habbershon, Williams and MacMillan (2006) attempted to correct the relatively static nature of previous models that presented two separate social systems – business and family – in a structure that perpetuates a trade-off approach to strategic decision-making (with an *overlap* that must be managed in order to maximize both systems). In contrast, the Unified Systems Model shows continuous influence and circular feedback processes rather than overlapping circles. Habbershon, Williams and MacMillan (2006) argue that “[t]o capture systemic strategic influences, it is necessary to show how events in one of the parts of the system ultimately are both a cause and effect in the other subsystem components” (p. 70).

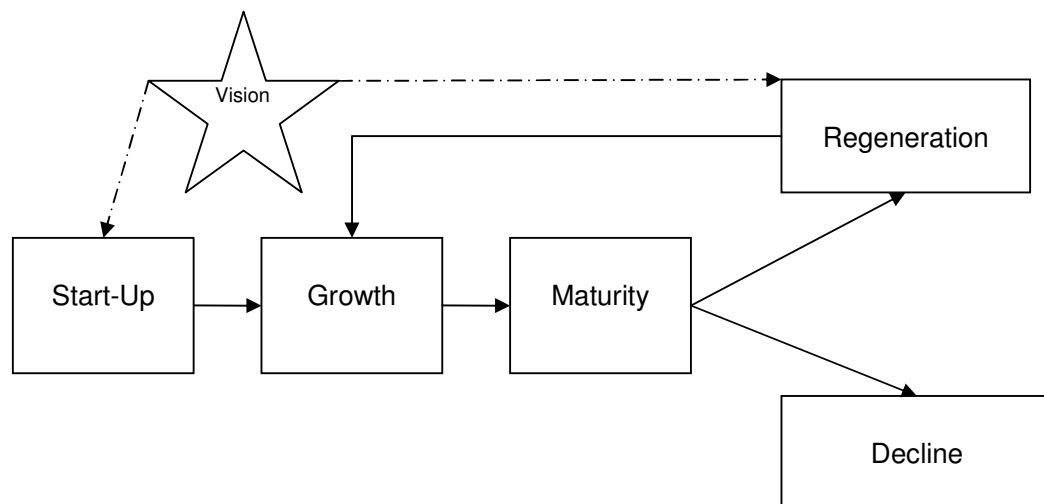
The intent of Habbershon, Williams and MacMillan (2006) is to explore stakeholder interests in the system (e.g. goals, traditions, life cycle stage, values), with outcomes of a healthy family, a profitable business and a fulfilled individual. The model also reflects a synergistic system that increases the value

of the parts – an argument for a single entity (rather than competing entities of family and business). However, the resulting “meta-system” model is primarily designed to illustrate cause and effect (vs. overlap); the authors held the conviction that long-term strategic competitiveness could not be maintained without the pursuit of transgenerational wealth creation by enterprising families.

The Unified Systems Model does, however, incorporate a seminal theory – the Resource-Based View (RBV) theory of competitive advantage – into family business models, as previously noted in Chapter 4. RBV represents a critical theoretical underpinning family business best practices (Dana & Smyrnios 2010) with the impact of “familiness” on business success a critical element to consider in any model of copreneurial sustainability.

6. Poza (2007, 2010, p. 180) presents a simple model highlighting the stages of family business development.

**Figure 17: Stages of Business Development**



Source: Poza (2007, 2010)

Whereas most family business models reflect structure and interaction only, Poza provides a traditional business framework to track data collection over time. As previously noted, Poza (2010) argues joint optimization of ownership, management and family subsystems, control of agency costs, and exploitation of the unique resources available to family businesses in order to achieve competitive advantage. The issues of optimization and exploitation of unique resources, noted also by Habbershon, Williams and MacMillan (2006) in Unified Systems Theory are integral to building a strong theoretical foundation for the study of copreneurs.

## **6.2 LIMITATIONS OF FAMILY BUSINESS MODELS**

The common denominator in three-circle models is that components of the model are given equal weight and equal positioning within the model. There are no structural variations reflecting either hierarchy or level of interactiveness among the components, two of the underpinnings of von Bertalanffy's (1968) system theory presented previously. By contrast, the SFBM is designed to measure a continuum from Family First to Business First, with assumptions of a degree of family/business intermingling and the two conditions of *separate spheres* (family and business) and *complete enmeshment* considered "special cases" (Stafford et al. 1999, p. 206). While these assumptions may be true, no new theoretical system models of the family firm or empirical testing of alternate structural viewpoints have emerged in the literature. In this thesis, questions to test the locus of commitment among business, family and individual are considered.

Carlock and Ward (2001) propose three scenario models that encompass hierarchal structure: Business First; Family First; and Balanced Family/Business Systems (based on a set of models by Hubler and Ayres –1996). However, the models were developed for an academic higher education course in Family Business Management (1996) and were never tested by gathering data in the field.

This is not a new discussion. Sharma, Chrisman and Chua (1997) reviewed 204 family business *strategic management* articles published in 32 journals between 1980 and 1994. Their conclusions praise the family-business literature for identifying and diagnosing family problems and their relationship to the business. However, the authors are critical of the lack of exploration of the relationships involved in *managing* the two subsystems of business and family, including the assumption that all families have the same problems and therefore, solutions may be applied equally – or that what worked in the past will work in the future. Furthermore, Sharma, Chrisman and Chua (1997) observe that the working hypothesis that “what is good for the family is good for the business” has never been tested. Furthermore, the reciprocal effect of family on business (and vice versa) *over time* has not yet been explored in the copreneurial literature.

These observations support further research into whether copreneurs perceive and perform in family business based on the assumption that work and family are distinctly different entities with separate visions and enabling structures and strategies, or if they hold a single-system view of integrated domains. This raises an additional question: Are there other configurations at the “system” level that

might apply uniquely to copreneurs – models of sustainability other than what is reported in the family business literature? Gaps in the literature reflect that after more than 30 years of research, there is still a need to develop an adequate performance model for the copreneurial enterprise.

### **6.3 SUMMARY OF GAPS IN THE LITERATURE**

After reviewing and analyzing the literature in Chapters 3-6 relative to the thesis, a comprehensive list of gaps in the literature can be identified:

1. The lack of current research investigating full-time, first-generation copreneurs;
2. The lack of rich and meaningful data investigating long-term sustainability of copreneurial enterprises; and
3. The lack of family business models specific to the sustainable copreneurial enterprise.

In addition, three gaps in the methodology within the literature reviewed in Chapters 3-6 have been identified:

1. The need for system-level, multi-disciplinary research.
2. The need for distinct definitions and homogenous samples in family business research; and
3. The need for research based on theoretical frameworks tested empirically in the field.

### 3.4 THE RESEARCH QUESTION

The gaps in the literature are addressed by the research question: *What optimizing structures are created by copreneurs to achieve sustainability of both the business and the family?* As highlighted in the review of the literature (Chapters 3-6), there is agreement that both family and business issues, as well as their interface, are important to family business research, particularly in developing models for long-term sustainability. This is irrespective of whether the research focuses on family businesses or a subset (e.g. the copreneurial couple). To date, no empirical study has examined the family/business/individual system structures that copreneurs create to sustain enterprise vision *over time*. This raises the following questions and sub questions;

- What was the original copreneurial vision and how are family, business and the individual represented within it?
- What business and family structures were created to operationalize vision and enable success over time? How do these structures change over time?
- In times of disruption, conflict, and crisis, how do the structures support sustainability of the business? How do the structures support sustainability of the family? How do the structures support development of the individual?

This thesis focuses on two higher-order elements – vision and the enterprise structures created by copreneurs to maintain vision over time – in order to achieve long-term sustainability of the business and the family. This approach follows Sharma, Chrisman and Chua's (1997) suggestion that researchers

recognize the strategies needed to achieve family and business goals are not always compatible, leading to trade-offs that might not readily be apparent. They recommend that “studies that identify these trade-offs and inform family-business managers about their implications can make a great contribution” (p. 18). By examining the vision and structures that encompass the three domains in the system (business, family and individual) and the strategies inherent in those structures, the thesis has the potential to make a substantial contribution to the literature.

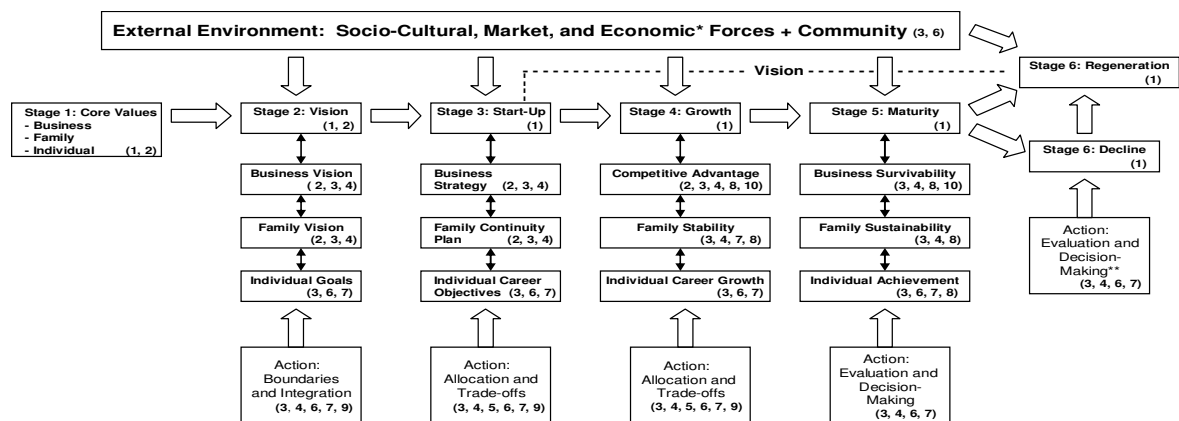
## **6.5 DEVELOPMENT OF THE CONCEPTUAL MODEL**

A conceptual framework is the first step in qualitative research (Marshall & Rossman 2006) and constitutes a “skeletal structure for organizing or guiding a new study” (Eisenhart 1991, p. 203). No common standard exists in evaluating conceptual models; rather, they are based on “common sense, subjective opinions and experience... design artifacts used to actively construct the world rather than simply describe it” (Moody 2005, p. 243). However relative to conceptual family business models, Stafford et al. (1999) distinguishes important guidelines

A system exists in an environment that is, in itself, a set of systems. Therefore, which system or subsystem is viewed as the whole is relative. Consequently, in developing a conceptual model to guide empirical research, deciding on whether to use a dual or single system paradigm is not as important as including both the family and the business in the model and selecting key characteristics of the family and business for inclusion (p. 198).

The Conceptual Model of the Copreneurial Enterprise is represented in Figure 18 below and is reproduced in Appendix C. The model developed in this thesis incorporates elements from five seminal family business models and the findings from five seminal authors. The purpose of the proposed model is two-fold: (1) To establish the structure for collecting data; and (2) To guide the analysis and discussion of the primary data.

**Figure 18: Conceptual Model of the Copreneurial Enterprise**



#### Appendix C: Conceptual Model of the Copreneurial Enterprise

Author (2010)

\*Prosperity, Recession, Depression, Recovery  
U.S. Recessions: 1980-82; 1990-91; 2001; 2007-present  
\*\*Regeneration, Sale, Succession, Shut-Down

- (1) = Poza (2007)
- (2) = Carlock & Ward (2001); Ward (2004)
- (3) = Habbershon, Williams & McMillan (2006)
- (4) = Stafford, Duncan, Danes & Winter (1999)
- (5) = Sharma, Chrisman & Chua (1997)
- (6) = Barnett & Barnett (1988)
- (7) = Marshack (1993, 1994)
- (8) = Muske & Fitzgerald (2006)
- (9) = Muske, Fitzgerald & Haynes (2003)
- (10) = Jensen & Meckling (1976)

The system model incorporates von Bertalanffy's (1968) four system elements: parts, hierarchy, openness and interactivenss in order to collect and explore data relative to the copreneurial enterprise (system); its sub-parts (business, family, individual); the hierarchy among the parts; and the way in which the parts interact at each stage in the business and family life-cycle (20+ years), including



boundaries, integration, transitions, allocation, trade-offs, evaluation, decision-making, and interaction with the external community.

### **7.5.1 Theory Synthesis and Model Development**

As discussed in the literature review, four areas of consideration have emerged relevant to copreneurial business. These are as follows: (1) The basic intermingling of business and family issues; (2) The differences in how men and women perceive and behave within the enterprise; (3) The structure of resources and processes that lead to competitive advantage and sustainability over time; and (4) The specific areas where tension and conflict may occur. The researcher synthesized and integrated elements from five highly regarded family business models in the development of the Conceptual Model of the Copreneurial Enterprise (Appendix C). The five models utilized in the development of the model are as follows (listed in the order they appear across the stages of the model):

1. The Stages of Business Development (Poza 2007) reflecting integral stages of family business development over time (i.e. Core Values, Vision, Start-Up, Growth, Maturity, Regeneration and Decline), which provided a longitudinal framework for historical data gathering over a 20+ year period.
2. The Parallel Planning Process Model (Carlock & Ward 2001; Ward 2004) reflecting core values, philosophy, commitment, vision, and strategic planning *for both the family and the business*.
3. The Unified Systems Model (Habbershon & Williams 1999; Habbershon, Williams & MacMillan 2006) based on the Resource-Based View reflecting

*business, family and individual members*, whose inputs and the resources and capabilities they represent are used to create actions and outcomes leading to competitive advantage and sustainability.

4. The Sustainable Family Business Model (Stafford et al. 1999; Heck et al. 2006) which includes resources and constraints; processes (interpersonal and resource transactions) during times of stability and times of change; disruptions in the business-family interface; and the outcomes of objective and subjective achievements leading to 'sustainability' of both the family and the business. The external interface with community from SFBM II is also incorporated.
5. The Strategic Management Process (Sharma, Chrisman & Chua 1997) which integrates family interests with traditional business processes of goal formulation, strategy formulation, strategy implementation and organizational performance (based on Andrews 1971; Hofer & Schendel 1978; Schendel & Hofer 1979).

Seminal work by five additional authors addressing theories and dynamic processes: boundaries, integration & transitions; business-family intermingling; allocations & trade-offs in the work-family interface (including agency theory); and evaluation and decision-making are incorporated into the model to ensure both structure and process are explored while fieldwork for this thesis is conducted. The five seminal authors whose theories are utilized in the development of the model follow (listed in the order they appear across the stages of the model):

6. Barnett and Barnett (1988) on boundaries and integration.
7. Marshack (1994) on boundaries/transitions between work/home.

8. Muske and Fitzgerald (2006) on growth and sustainability.
9. Muske, Fitzgerald and Haynes (2003) on family-business intermingling.
10. Jensen and Meckling (1976) on agency costs.

The resulting conceptual model is a matrix – with time represented horizontally through six stages in business development (Core Values, Vision, Start-Up, Growth, Maturity, Regeneration/Decline) and structure represented vertically by business, family and individual elements within each stage. Action items (boundaries & integration; allocation & trade-offs; evaluation & decision-making) are explored as they relate to the components of business, family and individual at each stage in the model. Agency theory is explored relative to nonfamily managers.

The purpose of the proposed Conceptual Model is to anchor the data-collection methodology in the literature and ensure the interview questions encapsulate family business and copreneurial theories as represented in both family business models and seminal research articles. This provides a critical step in anchoring the development of the 46-question interview guide from the literature, and in grounding the subsequent data analysis, thesis findings and discussion within the current family business and copreneurial literature.

The Conceptual Model of the Copreneurial Enterprise is distinctive from other family business models in five areas:

1. The model incorporates the six stages of business development and the three domains (business, family, individual) of family business enterprises

*over time*. This allows for data to be collected on structures, processes and practices at different stages in the enterprise to analyze whether they remain constant or are subject to change, and whether the changes occur in the business, family or individual domains.

2. The model does not reflect a distinct overlap (interface) among the domains of business, family and individual within each stage. This allows for data to be collected and analyzed to determine whether the structure of work-family overlap (from complete separation to complete integration) remains constant through the stages of development, or changes over time.
3. The model addresses business, family and individual domains at each stage of business development. This allows for data to be collected and analyzed based on structural *interactions* among business, family and individual domains within each stage and how they might impact performance.
4. The model incorporates numerous related issues from seminal literature (boundaries and integration; allocation and trade-offs; intermingling; evaluation and decision-making; and agency costs). This extends the model to include a comprehensive body of literature relating to the development of operational structures.
5. The model incorporates business, family and individual domains in the later business development stages of maturity, regeneration and decline, allowing for exploration of perceptions of success and sustainability of the business and family, as well as success of the individual.

6. The Conceptual Model of the Copreneurial Enterprise is the first theoretical system model developed specifically for copreneurs with the aim of empirical testing, suitable for data collection at each of the six development stages over the life of the enterprise. The model supports data collection for the research question: *What optimizing structures are created by copreneurs to achieve sustainability of both the business and the family?*

Chapter 6 has presented a review of family business models and described the development and theoretical foundations for the Conceptual Model of the Copreneurial Enterprise. Chapter 7 justifies and explains the research method used to answer the research question, including research philosophy, design and approach (implementation), and empirical testing of the conceptual model.

## **Chapter 7: Methodology**

### **INTRODUCTION**

The purpose of Chapter 7 is to justify and explain the methodology used to answer the research question: *What optimizing structures are created by copreneurs to achieve sustainability of both the business and the family?* Section 7.1 summarizes current family business methodology perspectives. Section 7.2 discusses the philosophical orientation of the thesis – ontology, epistemology and methodology. Section 7.3 extends discussion of the research method, including research design and research approach (implementation). Section 7.4 introduces the researcher's personal background information relevant to the thesis, including issues of experience, established knowledge and competence. Section 7.5 identifies the theme-category analysis and NVivo software analysis techniques utilized in the thesis. Section 7.6 discusses challenges and limitations of the methodology utilized.

### **7.1 CURRENT FAMILY BUSINESS METHODOLOGY PERSPECTIVES**

As outlined in Chapters 3-6, the family business entrepreneurship literature is a relatively new area of study and identified gaps in the literature include both gaps in research studies and gaps in research methodology. Both areas were considered in determining methodology (the research design and the sample selection) for this study.

Gaps in the literature include:

1. The lack of current research investigating full-time, first-generation copreneurs;

2. The lack of rich and meaningful data investigating sustainability of copreneurial enterprises; and
3. The lack of family business models specific to the sustainable copreneurial enterprise.

In addition, three gaps in the methodology within the literature reviewed in Chapters 3-6 have been identified:

4. The need for system-level, multi-disciplinary research.
5. The need for distinct definitions and homogenous samples in family business research; and
6. The need for research based on theoretical frameworks tested empirically in the field.

Organizational studies in family business continue to lag behind individual and group research (Collins & O'Reagan 2011) and utilization of systems theory is not high among family business researchers (Dyer & Dyer 2009). Zahra, Klein and Astrachan (2006) sum up the field of family business research

Research on family firms is fragmented and non-cumulative, and lacks good theoretical grounding (Zahra and Sharma, 2004), suggesting a need for more creative theory building by capitalizing on the unique qualities of family firms, especially their cultures and histories that determine family dynamics and decision-making. A 'systems approach' is clearly needed to build and test such a theory (p. 814).

Heck et al. (2008) clarify that both the family system and the business system must be identified, with optimal integration of family and business subsystems a challenge for researchers. Specifically, “comprehensively modeling all relevant subsystems relative to the family firm and recognizing the interrelationships and overlaps between and among all subsystems” (p. 325).

As previously noted in Chapter 3, definition and sample selection are important considerations in research design in the field of family business. Miller (quoted in Moores 2009) confirmed the emergent nature of family business research, with support for utilizing taxonomies (e.g. Sharma 2002), observing that “it would be a mistake, then, to lump together assorted types of family companies as these are very different animals” (p. 279). A system approach with particular attention to definition and sample selection was considered in establishing methodology, constructing the model (i.e. the Conceptual Model of the Copreneurial Enterprise) and developing the instruments (questionnaires and interview schedules) used in this thesis.

Chia (2002) describes management research as

a knowledge-creating activity which may be compared to any manufacturing process where the type of technology employed (philosophical orientation) and the method of production adopted (research method), as well as the raw materials used (experience and established knowledge) together with the operator’s capabilities (researcher’s competence) ultimately determines the quality and reliability of the product itself (p. 16-17).



This metaphorical approach was adopted in determining the methodology and conducting the data collection and analysis in order to produce outcomes that were in fact “good product.”

## **7.2 PHILOSOPHICAL ORIENTATION**

Harrison (2002) suggests a systematic approach to empirical research (after Flynn et al. 1990) with consideration of methodology development incorporating Guba and Lincoln's (1994, p. 108) suggestion that there is a hierarchy of decision-making in determining the appropriate research paradigm based on three questions: 1) The ontological question; 2) The epistemological question; and 3) The methodological question. Furthermore, they propose that the three questions are interconnected and ordered in “a logical (if not necessary) primacy” (p. 167). The emergent nature of copreneurial research and lack of development toward a *model of the copreneurial firm* point firmly to the need for structured decision-making in determining methodology. Family business research in general suffers from a paucity of research on methodology with Handler's (1989) examination as the exception (Nordqvist, Hall & Melin 2009).

*Ontology.* A Constructivist paradigm appeared most suited to both the field of copreneurial research and to the research question. As previously noted, family business research in general has struggled toward the development of “one” theory of the family business (Whiteside & Herz-Brown 1991). The literature is reflective of research that reveals multiple realities based on the structure of the business, the ownership of the business and the involvement of the family. In fact, this is one of the hallmarks of family business research – diversity in both

the object of the research and the discipline of the researcher (e.g. business, sociology, psychology). This points to an ontological perspective of critical theory based on either “historical realism – virtual reality shaped by social, political, cultural, economic, ethnic and gender values, crystallized over time” OR constructivism based on “relativism – local and specific constructed and co-constructed realities” (Guba & Lincoln 2008, p. 257). The latter was identified as more appropriate in light of the unknown system (copreneurial enterprise) which was the object of the exploratory research. Although family business and copreneurial studies have in the past included positivist research using quantitative methods (e.g. the prominent and often cited Sustainable Family Business Model studies (1997-2000) and Marshack’s (1994) seminal study on boundaries and transitions among copreneurs) the field continues to require steps toward a “more complex appreciation of the phenomena in question” (Litz, Pearson & Litchfield 2011, p. 22). A qualitative ontology meets this ongoing requirement.

*Epistemology.* According to Guba and Lincoln (1994) the constructivist paradigm assumes that investigator and object of investigation are linked “so that the ‘findings’ are *literally created* as the investigation proceeds” (p. 111). Even though the thesis used a Conceptual Model rather than a purely grounded theory approach, the value of the model was in its synthesis of Family Business theory (models) in order to gather rich and meaningful data on structures (business, family, individual) across time. The need for inclusion of family-related issues in business research was recently reinforced by Litz, Pearson and Lichfield (2011) who found that a large part of family business researchers are from a *business*

faculty, prompting the observation that “a not insignificant portion of our work is characterized by a superficial maturity in which the innate complexities of the family unit and its members have not been adequately reckoned with” (p. 19). The authors’ suggestion to counter what they perceived as a trend in “reductionist tendencies” is: “**Go wide, go deep, go big**” [bold in context, p. 19]. The methodology selected for this thesis considered these grand themes as articulated by Litz, Pearson and Lichfield (2011, pp. 19-22):

- Wide = a broader domain of knowledge, specifically family studies, which might help us better understand the family business’s reciprocal entity – the business family... particularly as it concerns the nature and functioning of the family unit (eg. Dyer 2006) and the family’s life course (Aldous 1990).
- Deep = to drill down to better appreciate the special and diverse challenges faced by the individual stakeholders (e.g. Sharma & Irving 2005) and stake-holding groups (e.g. Laplume, Sonpar & Litz 2008) that comprise family businesses and business families.
- Big = a framework that incorporates *both* social and economic arena and *both* the family business and business family, as well as the firm-specific set of diverse individuals that together comprise the three circles of family, business and ownership (Gersick et al. 1997).

The advantages of constructivist-interpretive approaches to family business research have been reviewed by Nordqvist, Hall and Melin (2009) as best suited for capturing the “specific complexity and dynamics unique to family business” (p. 294), leading to a richer, deeper understanding and uncovering “familial sub-

narrative” within the enterprise (Steier 2007). The method not only captures the uniqueness of the family business enterprise, but uncovers ‘hard-to-get-at phenomena’ that form the building blocks for further research (Nordqvist, Hall & Melin 2009).

*Methodology.* According to Guba and Lincoln (1994) the constructivist paradigm addresses hermeneutical and dialectical interaction “between and among” investigator and respondents using dialectical interchange with a final aim to “distil a consensus construction that is more informed and sophisticated than any of the predecessor constructions” (p. 111). In this thesis a qualitative methodology was utilized with open-ended interview questions posed to both male and female owners simultaneously in an interview setting (detailed in Section 7.3.3). As discussed in more detail in Section 7.3.3, male and female owners were interviewed together with the opportunity for dialectical interchange with each other and with the researcher. This approach supported the research question, which was more specific to exploration of what the two owners *created and maintained together over time* (toward optimization and sustainability) than the exploration of the *differences in perceptions and story of what occurred* (toward optimization and sustainability). Regarding the potential for openness and truth-telling (or lack thereof), the decision to interview jointly is supported by Cole (1997) who previously conducted pilot studies in which women were interviewed separately, and then compared them with subsequent interviews when other family members were present. She found no variation in stories between the two interview modes. In this thesis, direct observation by the researcher provided the opportunity to directly and immediately challenge and

engage the couple based on individual responses, creating an ongoing dialectical interchange to produce rich, in-depth, meaningful qualitative data for analysis.

### **7.3 RESEARCH METHOD**

“Qualitative research, as a set of interpretive activities, privileges no single methodological practice over another” (Denzin & Lincoln 2011, p. 6). Methodological decision-making for the thesis followed Harrison’s (2002) systematic approach for empirical research (after Flynn et al. 1990) summarized below. The contextualization of Harrison’s (2002) elements in the thesis follows in Sections 7.3 to 7.6.

- *Establish the Theoretical Foundation* (theory building; theory verification).
- *Select a Research Design* (case study, panel study, focus group, survey).
- *Select a Data Collection Method* (historical archive analysis, participant observation, outside observation, interview, questionnaires, content analysis).
- *Implementation* (population selection, sample selection, scale development, questionnaire construction, pilot testing, mailing, analysis of nonrespondent characteristics, data entry).
- *Data analysis.*
- *Publication.*

#### **7.3.1 Theoretical Foundation**

The thesis used a constructivist paradigm, assuming multiple realities, with knower and respondent as co-creators of understandings in the natural world (Denzin & Lincoln 2011). A conceptual framework (the Conceptual Model of the

Copreneurial Enterprise) was utilized as an exploratory step toward theory building for the copreneurial enterprise.

### **7.3.2 Research Design Overview**

The qualitative approach has the capacity to generate rich description at the micro and macro level (Creswell & Miller 2000; Denzin & Lincoln 2008; Whiteside & Herz-Brown 1991). As defined by Litz, Pearson and Lichfield (2011, p. 7) three levels of key factors exist within family business studies: (1) the *micro-level* challenges faced by individuals involved in family businesses and business families; (2) the *meso-level* mysteries of how family-specific synergies, or entropies, result when families and firms come together; and (3) the *macro-level* role of family enterprises in spurring on, or constraining, national and international economic development. To explore these levels and achieve the requisite outcome (i.e. to answer the research question), the research design utilized a Conceptual Model of the Copreneurial Enterprise (Appendix C) with semi-structured interview questions (Appendix G) based on components of the model. As previously noted in Chapter 6, the components of the Conceptual Model and subsequent questions were assembled from family business models and seminal work from both family business and copreneurial research. The questions captured the interrelatedness of system “parts, hierarchy, openness and interactiveness” (Hollander & Elman 1988, p. 156) within the copreneurial enterprise. The Conceptual Model incorporated micro, meso and macro levels with the aim of exploring historical events in the life of the family business enterprise system (business, family, individual) via the *lived* experience of the participants and the *context* of their worlds (Morse & Richards 2002).

For the thesis, the Conceptual Model was subjected to empirical testing in a field study with a purposeful sample developed carefully using the Barnett and Barnett (1988) definition of a *copreneur*. To capture the necessary breadth of data on which to base an exploration of sustainability *over time*, samples were selected based on a minimum threshold of 20 years of marriage and business ownership and the interview questions spanned the historical period from five years before the couple met to the present. This allowed for data collection on *individual* education, goals and experience prior to the establishment of both the family and the business. The sample was U.S.-based and focused on small and medium enterprises in four regions of the country (East, Midwest, Southwest and West). Two data-collection forms were developed for use prior to the interview: (1) A general demographic questionnaire (See Appendix D); and (2) a Business and Family Chronology Form (See Appendix E). Both will be discussed in more detail in Section 7.3.3 on Data Collection Method.

### **7.3.3 Data Collection Method**

#### *Interview Questions*

Forty-six (46) open-ended interview questions were developed from the six stages of the Conceptual Model of the Copreneurial Enterprise and organized into an Interview Guide designed to produce a 120-150 minute face-to-face interview in the natural setting of the owners' business location. The qualitative process was designed to allow the interviewer to "reach areas of reality that would otherwise remain inaccessible such as people's subjective experiences and attitudes" (Perakyla 2005, p. 869). Questions were open-ended to encourage participants to respond with narrative examples and stories which

“*constitute* the empirical material that interviewers need if they are to understand how people create meaning out of their lives” (Chase 2005, p. 661).

As previously noted, the decision was made to interview the U.S. couples together as the data collection method that best supports the research question. One additional data collection consideration in making this decision was the couples’ busy schedules and time constraints (i.e. the need to increase interview time to conduct both separate and joint interviews, as well as time for follow-up questions in case of discrepancies in historical timelines and events). This further influenced the decision to interview the couples together.

The first couple in the sample were interviewed separately (male and female at different times due to a last-minute international trip conflict) and confirmed the value of joint interviews. The female participant on a number of occasions answered that her spouse would be more appropriate to comment on a particular question, and at times expressed that she wished their spouse were present at the interview. This confirmed that the decision to interview the couples together produced more complete answers with the opportunity for discourse and exchange during the interview, producing richer responses.

### *Questionnaires*

Two written questionnaires were developed and utilized for data collection prior to the interview (see Appendix D and Appendix E): (1) *General Questions* on demographics of family members and non-family members working in the business and a current revenue figure. Demographic information included family



members' relationship to the owners, ages, years worked in the family business, and number of non-family employees; (2) A *Timeline* constructed by the respondents highlighting dates in which events and changes occurred (marriage, start of business, family changes, business changes, and other events that might affect the business or the family). A pre-test of two couples was conducted to ensure the questions were valid and could be answered within the planned 2-3 hour interview timeframe.

### *Triangulation*

"Triangulation has been generally considered a process of using multiple perceptions to clarify meaning, verifying the repeatability of an observation or interpretation" (Stake 2005, p. 454). Intra-triangulation (McMurray, Pace & Scott 2004) was utilized, including (1) secondary and primary data analysis prior to the interviews; (2) observation during the interview and tour; and (3) unstructured follow-up questions during the interviews themselves. Secondary (historic) research (from web sites and books) about the companies interviewed was reviewed where available prior to the interview and the chronology (timeline) of events was used to verify dates during the interview. The direct observation of the couples in the natural setting, including communication tone and body language during the interviews themselves, was used to clarify meaning when necessary between the male and female owner or with the researcher. In three cases, follow-up questions were asked and answered by email. The discourse process itself produced a final consensus construction (Guba & Lincoln 2008) that revealed rich meaning at the analysis stage.

The data-collection method using pre-interview questionnaires and an interview guide in a face-to-face setting was deemed “the most practical, efficient, feasible, and ethical for collecting data” (Marshall & Rossman 2006, p. 136).

### **7.3.5 Implementation**

#### *Sample Selection*

As previously noted in Chapter 3, the definition used for sample selection was based on Barnett and Barnett (1988, p. xxi).

A copreneurial enterprise is a first-generation, full-time business owned and managed by two people who consider themselves life partners and co-founders of a business where relationships are *outwardly equal*.

Further, as defined by Barnett and Barnett (1988), the copreneurial enterprise is a venture “based upon the firm foundation of the family unit as an economic enterprise, in which the couple’s individual energy, experience, vision, and sense of purpose are combined into a partnership based on trust, equality, sharing and intimacy.” (p. 3).

Criteria were developed to screen potential couples so that the qualitative sample would be both purposeful and homogenous. Based on previous discussion of the need for homogenous samples (Dyer 2003; Melin & Nordqvist 2007; Sharma 2002) ten couples (20 individuals) were selected based on the following criteria:

1. First generation business (franchises, other purchased businesses and inherited businesses were excluded).
2. Full-time business (couples who worked in outside employment were excluded).

3. Equal ownership (companies legally owned or principally owned by only one partner were excluded).
4. Equal management (couples who self-identified one spouse as the primary business manager or decision-maker were excluded; couples who self-identified one spouse as a primary household manager who provides strategic but not operational management input were excluded).
5. Married and in business together for more than 20 years.

A sample size of 8-12 was hoped for, taking into consideration the time and expense of face-to-face interviews over a large geographic area, but more importantly applying the “sensitizing concepts from the literature review and the research questions” using logical judgments and rationale (Marshall & Rossman 2006, p. 64).

The purposeful sample was anchored with couples who had been interviewed for the Barnett and Barnett (1988) study as this was a known list of companies and could be researched to ascertain whether they were still in business and still married (based on website review). Eighteen (18) couples still in business (out of the original 25) were contacted by email. Seven responded to initially express willingness to participate and were successfully screened based on the criteria. A Plain Language Statement (Appendix F) from the RMIT Ethics Committee approval process (Approval No. 1000001) was emailed to each couple and a follow-up phone call was conducted to answer any questions and confirm willingness to participate. All seven couples agreed to be interviewed for the thesis.

Three additional couples were identified through obtaining U.S. Chamber of Commerce listings in three cities in the Midwest and Southwest. Lists were obtained after the researcher contacted the organizations by phone, provided written proof of the legitimacy of the study, and asked for assistance in identifying couples in business together. As noted in Chapter 3, business census data is not collected in a manner that identifies whether businesses registered by a male and a female are couple-owned businesses (Pratt 2009). More than 50 businesses registered with the Chamber of Commerce as family businesses were contacted by phone and screened based on the five criteria. Six additional copreneurial businesses (out of 50 total businesses) were identified for the sample, bringing the sample size initially to 13. This proportion of copreneurs-to-family business was consistent with Pratt's (2009) estimate that 10.1% of family businesses are copreneurial.

Prior to the interviews, three of the six new couples declined to participate. One couple could not participate due to family illness; a second contacted the researcher to say they had discussed the criteria again and decided it was primarily "his" business; and the third couple were out of the country for the face-to-face interview and decided they did not wish to be interviewed by phone. The three additional couples who qualified *and* were available were added to the sample for a total of ten. There were no substantial differences in size of business, type of business, industry, longevity, or other factors between the seven businesses from the Barnett and Barnett (1988) study and the three businesses from the U.S. Chamber of Commerce search. All couples met the criteria and all expressed a willingness to participate in the sample.

### *Pre-Interview Data Collection*

Four information-gathering tools were used prior and during the interview process:

1. Historical archive analysis (secondary research). Following Stake (2005, p. 447) online searches and website reviews were conducted for all companies to gather and examine information on each company's (1) activity and functioning; (2) historical background; (3) physical setting; (4) economic, political, legal and aesthetic context; (5) reference in other cases; and (6) other related references.
2. Demographic data collection (primary research). An eight-question survey was emailed the participants prior to the face-to-face interview. Participants were asked to fill out the information and provide it to the researcher on the day of the interview (or prior to the interview in the case of phone interviews). The participants were asked to provide demographic data on their age, the age of their business, the number of employees including any family members involved in the business, and historical financial data prior to the interview.
3. Timeline construction (primary research). Participants were given instructions to create a timeline for events in their personal and business history one month prior to the interview and bring it with them to the interview. The couple was asked to record important individual, family and business events and changes and the year in which they occurred. These included the year they met, date of marriage, date business started, birth dates of children, business and family milestones, and any important changes that may have occurred in the history of the family or the

business. This instrument was deemed necessary in order to establish the “what” of milestones in business and family history ahead of the interview so that the interview process could more effectively focus on the “hows” and “whys” behind the historical events (Holstein & Gubrium 2011).

4. Interview Guide. “Traditionally, qualitative inquiry has been about *what* and *how* questions” with an appreciation for “interpretive elasticity” toward explanations of *why* things happen (Holstein & Gubrium 2005, p. 498). The Interview Guide (with all 46 questions asked during the interviews) was provided to the respondents one month prior to the interview. The reasons for this were two-fold. First, the answers to questions would be less discursive (with participants trying to understand and answer questions they are hearing for the first time) and more reflective. Given the opportunity for prior review (individually or with their spouse) it was hoped that responses and narratives would more accurately reflect “how” and “why” things occurred the way they did, including the *hows* and *whats* of everyday life in the enterprise (Holstein & Gubrium 2011, p. 347). This would reduce the burden on the researcher to interpret answers with too much “elasticity” in trying to analyze responses toward understanding the phenomena under study (i.e. the practices of the business and the family). The couple, with prior reflection, would be more apt to include important clues to “how” and “why”, providing “a structure and essence to shared experiences that can be narrated... and to [describing] the meaning of a concept or phenomenon that several individuals share” (Marshall & Rossman 2006, p. 104). Second, the providing of questions prior to the interview initiated a relationship of trust between researcher and

participant and created rapport prior to the interview toward “a warm and positive atmosphere or climate that reduces anxiety and defensiveness” (McMurray, Pace & Scott 2004).

The Interview Guide was used to gather information on elements in the Conceptual Model along six stages (Pre-Start-Up, Start-Up, Growth, Maturity, Regeneration and Decline). Three system domains of interest (Business, Family, Individual) were explored within each stage. Furthermore, three processes from seminal literature (boundaries & integration; allocation & trade-offs; and evaluation & decision-making) were explored at various stages along the model. The guide contained open-ended questions in each of the six areas, designed to support an in-depth interview strategy to “capture the deep meaning of experience in the participants’ own words” (Marshall & Rossman 2006, p. 54). This style was used to ensure not only that information was gathered along the stages-of-business-development matrix, but that the questions elicited depth and richness in the copreneurial enterprise experience.

### *Pilot Testing*

“Pilot interviews help in understanding oneself as a researcher” by demonstrating abilities and uncovering the strengths of the genre selected (Marshall & Rossman 2006, p. 56). After gaining university ethics approval (Approval No. 1000001) pilot testing was conducted with two couples in Australia to ensure the instrument comprehensively covered all areas of business and family issues, that questions were readily understood by respondents, and that the interview could be conducted within two hours and still gather the necessary depth of information

through questions and follow-up interaction. A modification for Country of Origin was subsequently added to the demographic questionnaire.

### *Interview Data Collection*

All interviews were originally planned to be face-to-face and the researcher personally met nine out of ten couples in the sample at their place of business. However, due to a required rescheduling of the U.S. interview trip, only six of 10 copreneurs were available to answer all of the interview questions in person. Three couples were interviewed by phone after the researcher returned to Australia. One couple was split-interviewed (the female in person and the male by email). Of the three couples who were interviewed by phone, the researcher met two out of the three personally during the U.S. trip and had the opportunity to tour their businesses for approximately one hour. Phone interviews were conducted after the researcher's return to Australia. The remaining couple (who the researcher did not meet) owned a consulting business and worked from a home office.

As previously discussed, the decision was made to interview both owners (male and female) together in a two-hour interview to allow data and opinions to be validated directly by both owners in the context of the natural setting of their relationship (Denzin & Lincoln 2011). This allowed the researcher to initially observe their interactions and/or analyze their communication patterns relative to answering the interview questions. Each owner was presented with an opportunity to respond to all questions and also to respond to their spouse's answers. Based on reaction and body language among the face-to-face



participants, or communication style (silence, tone of voice) among the phone interviewees, partners were sometimes encouraged by the researcher to respond to their partners' comments or to clarify meaning. This methodology is in keeping with the constructivist methodology and Habermas' (1984) theory of communicative action, allowing participants to relate stories, interact, disagree and/or negotiate about issues ranging from family values to business performance, with the researcher as a facilitator in the communication process.

Interviews were audio-taped using a digital recorder. Participant observation was conducted during the interview with post-interview observations noted, and written and verbal observations made during the interview itself. Although the interview process did not involve clinical participant observation of the owners in the work setting, subjective observations were made and noted during the interviews, which were conducted at the owners' place of business. These natural observations included verbal and expressive behaviors such as tone of voice or facial expressions and spatial relations between the couples (Zikmund 1991 in McMurray, Pace & Scott, 2004) and complemented the audio-taped interview responses by providing detail on nuances and meaning (Saunders, Lewis & Thornhill 2003).

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### *Sample Demographics*

**Table 9 and Table 10** summarize the business and personal demographics of the 10 couples interviewed.

**Table 9: Demographics of Sample Businesses (at time of interview)**

Case	Business Industry and U.S. Region	Region	Years in Business	Number of Employees	Revenues (turnover) US\$
1	Restaurant	East	29	85	Not disclosed
2	Retail food	Southwest	33	15-150 (seasonal)	\$9 mil.
3	Design	Southwest	28	2	\$600k
4	Restaurant	West	31	135-150	\$8.5 mil.
5	Home and business manufacturing (interior)	Southwest	20	10	1.5 mil.
6	Health services	West	22	2	\$300k
7	Consulting	West	26	1	\$300k
8	Communications	Midwest	20	9	\$1.4 mil.
9	Retail clothing and gifts	Midwest	28	15-30	\$250k
10	Home and business manufacturing (interior)	East	31	18	Not disclosed

Source: Author

The purposive sample included two manufacturers; two restaurateurs, one retail food; one retail clothing and gifts; one health care provider; one design firm; one communications firm; and one consulting group. Two businesses were located in the East; two in the Midwest; three in the Southwest; and three in the West. The average age of the businesses was 27 years. Number of employees (owners not included) ranged from 1 to 150. Disclosed revenues (8 out of 10 disclosed) ranged from \$250,000 to \$9 million.

**Table 10: Demographics of Sample Families (at time of interview)**

<b>Case</b>	<b>Ages (female/male)</b>	<b># Years Married</b>	<b>Education</b>	<b>Children = Ages</b>	<b>Work in Business?</b>
1	Not disclosed	28	F = Masters M = Masters	N/A	N/A
2	Not disclosed	42	F = Masters M = Bachelors	S = 29 D = 25	No No
3	F = 51 M = 50	28	F = Some college M = Some college	D = 14	No
4	F = 60 M = 63	36	F = HS Education M = HS Education	N/A	N/A
5	Not disclosed	33	F = HS Education M = HS Education	D = 31 D = 32	Yes Yes
6	F = 49 M = 52	24	F = Some college M = Medical cert.	D = 17 D = 21	No No
7	F = 66 M = 73	31	F = Masters M = Medical degree	D = 36 2 older daughters	No No
8	F = 51 M = 52	29	F = Bachelors M = Bachelors	S = 20 S = 24	No No
9	F = 52 M = 53	31	F = Bachelors M = Bachelors	D = 26 D = 29	Yes Yes
10	F = 58 M = 60	40	F = Bachelors M = Bachelors	D = 32 S = 31	No No

Source: Author

Not all owners disclosed their ages. The range of ages of owners who disclosed was from 49 to 66 for females and from 50 to 73 for males. Years married ranged from 24 to 42 (all were legally married) with the average length of marriage 32 years. The partners had known each other between one to eight years prior to their marriage. All 20 owners finished high school. Four had high school diplomas; three had some college; seven held bachelors degrees; four had

earned masters degrees; one had a medical degree; and one held a medical certificate from a four-year program. Eight out of ten couples had children. Four children worked in the business (two daughters in each of two businesses).

#### *Post-Interview Data Management*

Audio files were personally transcribed (approximately 190,000 words) by the researcher after the interviews. This allowed the researcher to become more familiar with the data collected and also ensured that the tapes were transcribed accurately as the respondents spoke with American accents, often used slang language, talked quickly, interrupted each other, and sometimes answered questions simultaneously.

#### **7.4 EXPERIENCE, ESTABLISHED KNOWLEDGE AND RESEARCHER COMPETENCE**

Personal motivation for undertaking this research began in the early 1990s when the researcher worked in the U.S. for a couple-owned business for two years and observed first-hand the interaction between the parents and their two adult sons who also worked in the business. Subsequent to that experience, the researcher worked as a business consultant with at least five couple-owned businesses as clients. In all five cases, the businesses were in economic turmoil and relationship issues impacted the business and vice versa. As a consultant with no family business consulting experience, the researcher had very little to offer beyond best practices in non-family business. The researcher observed the dynamics of couple-owned businesses, which included business issues, family issues and individual issues. These types of experience were suggested by

Astrachan and Klein (2006) as being valuable for the family business researcher to “develop familiarity with family businesses and their challenges... and to develop a deep appreciation for the uniqueness of the family firms and their culture” (p. 615).

Interviewing others requires “resourcefulness, ingenuity and resilience” (McMurray, Pace & Scott 2004, p. 195). Relative to researcher’s competence, the researcher worked as a corporate journalist in the 1980s and wrote profiles of company employees and processes. During that time, interview skills were developed as required to establish rapport and create an interview environment that encouraged responses in the form of examples and stories. The formulation of follow-up questions was important in order to obtain the most accurate information. The consistent feedback from interview subjects was that the experience was pleasant and the reporting was accurate. In order to mitigate bias during interviews, the researcher followed the Interview Guide to ensure information-gathering stayed focused. The researcher also used a neutral response when asked during interviews if the participants’ answers were what the researcher was looking for (i.e. “I appreciate the detail in your answers”).

## **7.5 ANALYSIS TECHNIQUES**

“The way in which data are analysed in qualitative research depends on the research question, the way the data were collected and, ultimately, what is appropriate to achieve the objectives of the research” (Johnson & Harris 2002, p. 113). To achieve the identification of optimizing structures in answer to the research question, a detailed analysis of the data was conducted using multiple

techniques. The transcribed interviews, observation field notes, questionnaires and historic archive research were utilized in the analysis process which employed two techniques: (1) A manual theme-category analysis; and (2) NVivo (software) node analysis. The two independent analyses were used to approach the interview data from two directions. The theme-category analysis initially identified themes *within* each stage of the conceptual model. The NVivo analysis identified nodes *across* the interview data. These two techniques in tandem addressed the need to make sense of the findings within the “situated, relational and textual structures of the ethnographic experience” (Denzin & Lincoln 2011, p. 15).

All interviews were transcribed by the researcher and initially hand-coded following McMurray, Pace and Scott (2004) into 11 themes that followed the six stages of the Conceptual Model. The same interview transcripts, field notes, questionnaires and historic archive research were subsequently coded using NVivo software, producing 40 nodes. The NVivo nodes were then organized (matched) to stages of the conceptual model where they were re-assessed as a group to determine whether the themes in the first analysis (theme-category) were confirmed by the findings in the second analysis (NVivo). Furthermore, 21 additional factors/findings were uncovered through NVivo analysis.

Each analysis (Theme-category and NVivo) was conducted independently. The resulting two separate analyses stand on their own and together reveal a richer and more holistic picture of the copreneurial enterprise in keeping with the system focus of the research question. The two analyses preserved the macro

(theme) and micro (node) data, thus mitigating the problem of premature data reduction. The theme-category analysis more closely aligned with interview questions developed from the six stages of the model, which were chronological and based on the business, family and individual *over time*. The NVivo analysis node generation and coding was produced irrespective of when the information was provided during the interviews. Additional themes and additional individual elements were uncovered during NVivo coding and analyses, justifying the inclusion of a second analysis technique. The additional NVivo findings and nodes were subsequently assigned to stages of the model for reporting purposes, bringing together macro and micro elements for analysis and discussion in Chapters 8 and 9.

The Operationalization of the Conceptual Model of the Copreneurial Enterprise (Appendix H) was produced based on the Theme-Category and NVivo analysis as an intermediate step toward identification of the optimizing structures represented in the copreneurial enterprise system. This Operationalized version of the Conceptual Model created a necessary discussion platform comprising (1) results of the empirical testing of the model (theory vs. findings); and (2) identification of optimizing structures in answer to the research question: *What optimizing structures are created by copreneurs to achieve sustainability of both the business and the family?*

## **7.6 CHALLENGES AND LIMITATIONS**

The complexity of the thesis necessitated the researcher to adopt the approach of interpretive *bricoleur* (maker of quilts) as described by Denzin and Lincoln

(2011) where strategies, methods, and empirical materials are invented or pieced together to create a “reflexive collage or montage – a set of fluid, interconnected images and representations... connecting the parts to the whole” (p. 6).

The development and empirical testing of a conceptual “system” model designed to collect data on full-time, first-generation copreneurs over 20+ years has previously not been undertaken in copreneurial research. The scope of the thesis is ambitious, with a number of challenges and limitations.

The lack of comprehensive literature regarding copreneurs necessitated review of the broader family business literature and the extraction of concepts and models that aligned with copreneurs and the primary research question. Numerous decisions were made during the research design process regarding the scope of inclusion and exclusion (e.g. transgenerational succession strategy was not explored as a primary topic) and how to incorporate macro, meso and micro issues into a two-hour interview. Exploration of every aspect in depth was not possible.

The sample size of 10 couples (20 individuals) was smaller than hoped for. This was in part due to the difficulty and time involved in identifying couples who met the strict typology defined for the sample and the logistics of international face-to-face interviews. Although this attention to definitional homogeneity produced a “saturation point” of data over the 10 interviews, a larger sample may have produced greater variation within the sample and the opportunity for more inter-couple analysis.



Only six couples were interviewed face-to-face, which was a smaller group than hoped for. Although the researcher met with nine of 10 couples and toured their facilities, it was not possible on the initial trip to complete all interviews due to schedule conflicts among the busy copreneurs. Funds were not available for a second international trip; therefore, three follow-up interviews were conducted by phone and one was partially conducted by email.

Although all couples agreed to be audio-taped during the interview, a minority of couples were unwilling to disclose their ages and two did not disclose annual revenue (turnover) figures. Although challenges and limitations existed, none have been deemed substantial detractors from the overall integrity of the study.

Chapter 7 has justified and explained the methodology for the thesis, identifying a qualitative, constructivist approach using in-depth interviews and both theme-category and NVivo node analysis as the most efficient and effective methodology to answer the research question. Chapter 8 presents the complete analysis of the data.

## Chapter 8: Analysis

### INTRODUCTION

The purpose of Chapter 8 is to present the two analyses conducted on the thesis data: (1) An initial manual theme-category analysis of the interviews which uncovered 11 themes throughout six stages of the model; and (2) A subsequent software analysis of the interviews using NVivo which identified and analyzed 40 nodes. The sections in Chapter 8 are ordered using the six stages of the *Conceptual Model of the Copreneurial Enterprise* identified in Chapter 6, which provides the foundation for data collection for the thesis. Based on both analyses, an *Operationalization of the Conceptual Model of the Copreneurial Enterprise* (Appendix H) was developed. The two analyses are independent and represent the analysis of the raw data uncovered from each analysis stage within the model. NVivo was employed as the second analysis, for it was expected that new or richer detailed themes may be uncovered (Denzin & Lincoln 2011). Section 8.1 summarizes interview parameters and describes the two analyses conducted. Section 8.2 presents general findings from interview response tabulations. Sections 8.3 through 8.8 present findings from Stages 1-6 of the model. Section 8.9 presents findings of communication patterns from the interviews.

### 8.1 INTERVIEW TRANSCRIPTS AND ANALYSES

#### *Interviews*

Ten semi-structured interviews were transcribed by the author and analyzed for the theme category analysis following McMurray, Pace and Scott (2004). The transcripts were subsequently imported into NVivo (approx. 190,000 words) and

analyzed by the author, with 40 nodes created based on (1) direct questions from the Interview Schedule (See Appendix G); and (2) indirect concepts of interest that were uncovered during the interview process, which includes micro and macro issues (Creswell & Miller 2000; Denzin & Lincoln 2008).

### *Theme-Category Analysis*

A manual theme-category analysis of the transcribed data uncovered 11 main themes from the 10 case studies. The theme category analysis was a “first-review” process in conjunction with the submission of a paper entitled “Gender Diversity: An Optimizing Element in Copreneurial Enterprises” to the 2010 International Academy of Management Annual Meeting in Montreal, Canada. The paper was accepted and presented at the conference (Appendix J). The following 11 themes underpinned ideological and organizational structures within the enterprise:

1. Integration of values.
2. Integration of goals.
3. Quality in products and services.
4. Joint passion for working together.
5. Absence of defined plans and strategies.
6. Allocation of responsibilities based on interest and strengths.
7. Absence of planned, written growth strategies.
8. Minimization of effects of conflict and crisis.
9. Positive reciprocal relationships.
10. A high level of satisfaction and fulfilment.
11. Commitment to the greater community.

The 11 themes appeared at various points along six stages of the conceptual model (Core Values, Vision, Start-Up, Growth, Maturity, Regeneration/Decline). The interview excerpts are representative of the majority and do not reflect frequency, except where specifically noted. Minority viewpoints are indicated where necessary. Quotes are verbatim to capture their accuracy and depth of detail; however, edits have been made to quotes in some cases [in brackets] to preserve the identity of the participants.

#### *NVivo Analysis*

Forty (40) nodes were identified through NVivo analysis. NVivo analysis confirmed the 11 themes from the theme-category analysis and uncovered additional themes and commonalities, extending more depth and detail (see Operationalization of the Model – Appendix H). The interview excerpts are representative of the majority and do not reflect frequency, except where noted. Minority viewpoints are indicated where necessary. Note that edits have been made to quotes [in brackets] to preserve the identity of the participants.

The names for individual section headings in Sections 8.3 – 8.8 are based on the following naming convention, which combines the stages of the *Conceptual Model of the Copreneurial Enterprise* with the NVivo node names: *Conceptual model stage number – Stage name: Node name* (e.g. 8.3.1 Stage 1 – Core Values: Values Relationship).

## 8.2 INTERVIEW RESPONSE TABULATIONS

Results presented in Table 11 indicate that based on total responses, women responded with more frequency during interviews than did men.

**Table 11: Number of Responses by Male/Female Participants**

Case number	Female	Male
1	224	175
2	97	126
3	164	188
4	113	92
5	151	136
6	306	252
7	112	99
8	303	332
9	186	201
10	Interviewed	Separately
<b>Total</b>	<b>1656</b>	<b>1605</b>
<b>Average</b>	<b>184</b>	<b>178</b>

Source: Author

In 5 case interviews, women responded more frequently; men responded more frequently in 4 case interviews (in Case 10 the couple was interviewed separately). Although results were not tabulated on how many words each participant contributed to the interview, a cursory review indicates that although women responded more often, men talked longer when they did respond. The differences could not be attributed to any identified factor. Both participants appeared comfortable speaking up, often interrupting or finishing the sentence of their spouse. Communication patterns will be further explored in Section 8.7.

A summary review of interview content indicates that responses were articulate, detailed and informative. Participants answered questions with little hesitation to all questions, both those on the interview schedule and those asked as follow-up

questions. Stories about historical events were encouraged, and participants often used story-telling in answering questions.

In addition to information on the number of times each participant responded, other communication data was examined in the following areas (nodes 33-38):

- Compliments (Section 8.9.1 and Section 8.9.2)
- Humor (Section 8.9.3)
- Interruptions (Section 8.9.4)
- Sentence completion (8.9.5)
- Repeat answers (Section 8.9.6)
- Simultaneous answers (Section 8.9.7)

### **8.3 STAGE 1 – CORE VALUES**

Stage 1 included the following analyses factors:

*Theme 1: Integration of business, family and individual values.*

*NVivo Nodes: Values; Values Relationship.*

#### **8.3.1 Stage 1 – Core Values: Values**

Responses relating to values were most often made in response to a direct question:

*Q2.1: Describe the core values for your business, family and self.*

Table 12 lists responses to the question addressing values. Participant responses are listed as articulated, without regard to whether the responses were considered by the researcher to be *values* or *interests*. Values are listed in the order mentioned in the interview. The order does not indicate hierarchy, as

hierarchy was not explored. The number of times participants referred to the value both initially and subsequently was tabulated.

**Table 12: Values and Frequency by Case**

<b>Case number</b>	<b>Values listed (in order given in interview – not hierarchical)</b>	<b>Frequency of mention (F/M) During interview</b>
1	Love of food, cooking Creativity and artistry Honesty Quality	F = 11 M = 8 F = 4 M = 6 F = 0 M = 2 F = 0 M = 2
2	Integrity Quality Service Fun	F = 3 M = 0 F = 1 M = 2 F = 2 M = 2 F = 1 M = 2
3	Honesty Passion Good work Fun and enjoyment	F = 4 M = 1 F = 6 M = 3 F = 2 M = 7 F = 3 M = 3
4	Integrity Excellence Service and friendliness Honesty	F = 1 M = 3 F = 1 M = 0 F = 2 M = 5 F = 1 M = 0
5	Respect Integrity Quality	F = 7 M = 11 F = 3 M = 5 F = 7 M = 0
6	Helping people Ending suffering Giving back Using gifts Caring Love Integrity Honesty	F = 3 M = 2 F = 0 M = 1 F = 1 M = 1 F = 2 M = 0 F = 2 M = 1 F = 2 M = 3 F = 0 M = 1 F = 0 M = 1
7	Helping people Ethics Confidentiality Truth-telling Directness	F = 5 M = 7 F = 1 M = 0 F = 1 M = 0 F = 1 M = 1 F = 1 M = 0
8	Integrity Community Family Service Excellence Fun	F = 1 M = 1 F = 2 M = 6 F = 3 M = 3 F = 0 M = 3 F = 0 M = 5 F = 2 M = 8
9	Honesty Integrity Respect	F = 2 M = 1 F = 2 M = 2 F = 4 M = 6
10	Helping others Support our family Be together	F = 3 M = 1 F = 2 M = 1 F = 1 M = 0

Source: Author

Although three or more values were articulated by each couple, the values themselves varied. Although other “value words” were articulated during the interview, the words listed above were the ones given in direct response to the question asked in the interview. Values most frequently listed by the 10 couples were:

**Table 13: Hierarchy of Values (based on frequency among sample)**

<b>Values</b>	<b>Frequency</b>
Quality, excellence, good work	6 couples
Honesty, truth-telling	6 couples
Integrity	6 couples
Service	3 couples
Giving back, helping people	3 couples
Respect	2 couples
Fun	2 couples

Source: Author

### **8.3.2 Stage 1 – Core Values: Value Relationship**

Responses on values were most often made in response to a direct question:

*Q2.2: Describe their relationship to one another.*

The Theme-Category Analysis uncovered *Theme 1: Integration of business, family and individual values*. Responses confirmed a structure of agreement by male and female partners on core values and substantial integration of business, family and individual values. In all 10 cases, male and female participants agreed that family, business and individual values were one and the same. Note: Responses are transcribed verbatim. The case number of the participant couple appears in [brackets].



[2] Interviewer (I): What are your core values?

Female (F): Integrity, quality

Male (M): Service

F: Service. That's number one. Because it's all about serving our team, serving our customer, serving the community and serving ourselves.

Interviewer: And the relationship between the values you have for yourself, your family and your business. How would you describe that?

M: The same

F: They're one and the same. One and the same.

Participants described their commitment to these values in their initial business structure, with the majority expressing their desire to create an enterprise in which they could live their values.

NVivo Analysis confirmed *Theme 1: Integration of business, family and individual values*.

[6] M: You've got a core set of values, integrity, honesty, economy, ecology, you know things that, certain laws that you've got to live your life by in order to stay in balance, you know staying healthy, completing a job. These are the same types of things that I impart on my family, too, my kids, things I teach them, so. It's all about the higher thing, trying to do better, always trying to. With our kids we want them to succeed further than we did and have the things we didn't have.... You know when you're working for yourself you can't separate your home life and your business life. Like our kids know that we work for ourselves. They are a part of our business, too. They come and they clean our office. They know that this is the place that gives us everything we have.

I: And would you say the values are the same for all three [individual, family, business], or are there differences?

M: No, we have the same values.

[continues on following page]

## 8.4 STAGE 2 – VISION

Stage 2 included the following analyses factors:

*Theme 2: Integration of business, family and individual goals.*

*Theme 3: A striving for quality in products and services.*

*Theme 4: Joint passion for working together.*

*NVivo Nodes: Goals, Goal Relationship, Creativity, Freedom, Quality, Passion, Working Together and Trust.*

### 8.4.1 Stage 2 – Vision: Goals

Responses on goals were most often made in response to direct questions:

*Q3.2: What was the initial vision for your business?*

*Q3.3: What was your vision or plan for your family at the time?*

*Q3.4: What were your personal or career goals?*

Participants articulated vision. Comments were most often about the business itself (vs. vision about family or individual career goals).

[2] F: The vision was really to make the world a better place with the best [product], the highest integrity, the best ingredients, all natural, and then to create relationships with everyone who enjoyed them.

[1] F: The vision that we had was to bring something [to the U.S.] that we had experienced in Europe and Italy specifically.

However, goals were not established at the outset.

[1] M: We didn't know what we were doing...

F: No, neither of us had any business experience...

M: So, we just naively went into it..... We didn't have a goal of like in five years we're going to be this, or two years we're going to do that. Every day, one day at a time.

[3] M: Never really had a good financial plan. In other words, there was never a, "this is what we wanted to come." We just sort of went and things happened, and we did have goals, but they were uh... I don't to make is sound like it was total, care free, casual... but it was

F: More casual...

M: Yeah, it was. It was not... there wasn't a lot of planning that went into it.

[9] F: We didn't plan for any of this.

And long-range planning was not practiced.

[4] F: You know I never thought too far ahead into the future. The original idea was to have a small bakery and really only do pastries, not even do bread. So the business grew organically from that... so my first vision was just a small little pastry shop.

M: It's true. We were pretty much on a survival level when we were opening the business. We didn't have any dreams. Our dream was just to get enough sleep the next day. We were just so exhausted....

F: I don't think there was a lot of major planning that went on longer than the next few months or maybe the next piece of equipment we would buy or you know it's always the next remodel.

#### 8.4.2 Stage 2 – Vision: Goal Relationship

Responses on Goal Relationship were most often made in response to a direct question:

*Q3.5: Describe their relationship to one another (in terms of boundaries and/or integration).*

The Theme-Category Analysis uncovered *Theme 2: Integration of business, family and individual goals*. Responses on business, family and individual vision/goals indicated a structure in which there is integration of all three (business, family and individual) as well as agreement by the male and female owners that the goals are interconnected.

[7] Interviewer: How would you describe the relationship between your personal, family and business goals?

F: For me they are constantly intermeshed.

M: Yeah, it's hard to know.... there's no difference for me.

[1] F: In my opinion there's no individuality in a sense. We had shared goals. I don't know that we had individual goals within the business. What do you think? [to her husband].

M: For me, I didn't care about who got what. Who got any kind of acclaim or whether or not [my wife] got more notoriety. All I cared about is that this machine ran. We had worked together before [at other companies] but we never really worked that closely and all of a sudden we were going for the same goal and that just changed – for me it did at least – here's somebody I can really work with that has got the same values and will work as hard as I do.

F: We basically have one life and it all just is under basically this roof.

[8] M: And so from the stage right before [start-up], I realized that my family, my business and my self were all interconnected, and that they should be interconnected... And I realized that the better provider I was for my family as an integrity-based business person – that's a better role model as a parent – that will let me be a stronger spouse – and that will strengthen my relationship with my kids. So, it's always been very interconnected.

[6] M: Well, family's obviously always the first thing that supersedes everything. Family always comes first. But, we have a very strong commitment to each thing because they're all interconnected. When you work for yourself, the business and the family are kind of like one of the – that's part of the family. The business is the supporter of everything... I think for me my personal goals have to do with my business goals and my family goals, I mean those are my personal goals.

NVivo analysis confirmed *Theme 2: Integration of business, family and individual goals* and provided additional depth on goal integration and its value to the enterprise.

[10] F: We knew we wanted to be in our own business, control our own destiny... and be together. I think we still feel that very strongly.

Synergy was cited as a characteristic in integrative decision-making regarding goals.

[8] M: If it was good for career, but not good for family, we weren't very interested. If it was good for family but it really was gonna screw up career, not so interested there either. They all had to work in a synergistic fashion.

And the value of integrated goals was described by participants.

[2] F: you know I feel that [the business] for me has been a platform, such incredible self-expression, using skills and creative outlets that I didn't even know that I had.

[4] M: For me I've always felt the business, because it's successful, it's given us the ability to not only be creative and financially sustainable in our family but also given us the ability to do our creative pursuits.

[3] F: We loved our work, and so we worked! When we travelled we worked. When we played, we worked. Most everything that we did – people we had over for dinner – were centered on work, whether they

were employees or vendors or clients, they were... I mean everything we did was work.

M: I think everything was integrated.

The tone of the responses regarding goal integration was positive. In Section 8.5.5, the issue of integration is explored again from the standpoint of *Trade-offs* among business, family and individual goals and responsibilities.

### **8.4.3 Stage 2 – Vision: Creativity**

Creativity was often referenced by copreneurs when answering questions about values and goals. The issue of Creativity was not explored as a direct interview question, although the majority of participants mentioned Creativity in their answers. The NVivo analysis reflected numerous comments about Creativity as a personal pursuit as well as an area of business competence.

The majority of participants articulated descriptions of themselves as creative or artistic, both in their personal life and in relationship to their core business. Prior to starting their businesses, six of the 20 individuals had backgrounds in the creative arts (architecture, landscape design, sculpture, photography and music).

[1] M: And we saw it in a different way. We didn't see it as chefs. We saw it as artists. And that was the defining point that separated us immediately I think from everybody else. First and foremost I have to say I think we're artists. And I don't think we ever let go of that. I mean it's on our passports. We don't put us down as chefs. I think that we have always maintained ourselves as an artist first. And that was I think one of the things we wanted to define...

F: And I think the kind of people we are. I think we're very competitive people. I think we're very creative.

[5] F: He's an artist.... He takes a blank wall and sees a vision and draws it and builds it. And it's a beautiful piece of art. He's an artist. Everybody says, well you're a cabinet-maker. He's an artist. He designs beautifully. You can see for yourself.

**[2]** F: Creative expression lives and breathes here.

**[3]** M: I would say, speaking for myself, what success we've ever had, whether it is getting new work, or maintaining clients, or opening new doors... has always been driven by our creative ability.

Creativity was viewed by several participants as a source of balance.

**[4]** F: Well, I see that creativity is really a big part of my life and when I don't have the time to spend in the process of creating something I get unbalanced.

**[2]** M: I have to say this, even though I'm not happy about the economy and what we're going through, it's a really great time. It's a very alive time. It's a very creative time.

The connection between the business and creative freedom was valued by one respondent.

**[4]** M: For me I've always felt the business, because it's successful, it's given us the ability to not only be creative and financially sustainable in our family but also given us the ability to do our creative pursuits.... the business has been able to give us that freedom. So that's been something that's really paid off for us by keeping the business integrity going. Our own creative freedom.

Participants applied creativity in multiple ways to support the core business. One chef also architecturally designed each new restaurant interior. Another business incorporated the owners' large-scale mosaic wall designs and table-tops made from broken china into their new dining-room renovation. A third respondent published a magazine (still in circulation after 20 years) related to the core business. A fourth respondent is writing a book on creativity (unrelated to the core business).

**[4]** M: I've got a book proposal out to my agent – it's a creativity book – and if I can land that I could be busy for a year trying to write that.

Note: Book publication was cited by three enterprises as a supplement to their core business. Two restaurant businesses have each published

three cook books, and a third business (retail food) has published a book on service, and a fourth has published a magazine on interior design.

Office environments reflected creativity and were considered part of the core business concept. One professional services firm was filled with toys.

[8] M: [to interviewer] You just walked into our office and whatever feelings you get is important to an instant impression that these people are creative, yet they're professional, they're fun, yet it's important work. You know we tried hard to create an environment that says that.

One firm's showroom was filled with Petrobelia (antique gas station memorabilia). A designer's home office had an antique flat-bed truck as a dining-room table – the full truck cab, included.

Creativity was articulated as extending outside of the core business. Three male participants were part-time musicians. A third paints and produces cabaret shows. Two women in non-fashion copreneurial business enterprises aspire to create secondary fashion businesses in the future. A third female copreneur in retail food travels as a motivational speaker on the topic of Service. A female copreneur in on-line sales is preparing for an exhibition of her watercolour paintings.

#### **8.4.4 Stage 2 – Vision: Freedom**

Freedom was referenced by copreneurs when answering questions about values and goals in relationship to why they wanted to have their own business. The issue of Freedom was not explored as a direct interview question, although the majority of participants mentioned Freedom in their answers. Table 14 reflects summarized comments about Freedom in a range of contexts.

**Table 14: Context of Concept of “Freedom”**

Case	Context of Freedom
1	Freedom to leave their business in the hands of a trusted employee while they lived in Europe on hiatus for a year – which extended to three years.
2	Freedom for the female partner to leave day-to-day operations for a five-year period to embark on a speaking tour.
3	Freedom to travel and set their own schedules. Freedom to change business industries after 20 years.
4	Freedom to travel to Europe 25 times and pursue personal creative endeavours near home.
5	Freedom to do what I want – to become a whole person.
6	Free time to do the things I love to do.
7	Freedom to travel overseas to assist in international Red Cross disasters.
8	Freedom to attend their children’s school functions.
9	Freedom to be in control, to be hands-on.
10	Freedom to control our own destinies.

Source: Author

A substantial minority commented that they did not like working for others.

[10] M: I was way too independent to work for an individual. Trying to satisfy millions of customers is easier and more satisfying than trying to satisfy a single boss.

[6] F: I just didn’t want to work for anybody else.  
M: I got fired from my last job [laughs].

Only one respondent specifically referred to freedom in the context of “flexibility.”

Most articulated freedom as relating to actions toward a richer inner and outer life. In this context, it appears to be related to the creative expression articulated in Section 8.4.3.

#### **8.4.5 Stage 2 – Vision: Quality**

The issue of Quality was not explored as a direct interview question, although the majority of participants mentioned Quality in their answers.



The Theme-Category Analysis uncovered *Theme 3: A striving for quality in products and services*. Both genders expressed a striving for quality in products and services extending beyond a simple business vision to an integrated one among business, family, individual, and community.

[10] F: You know we're products of the 60s. So, I would say secondarily, or even further down the list was creating a mega-company with lots of money. That was not part of our vision. We really wanted the relationships – the relationships with our customers, the relationships with our staff, the relationships with the community, and serve in that way, and have a good life.... So, the vision was really to make the world a better place with the best [products], the highest integrity, the best ingredients, all natural, and then to create relationships with everybody who enjoyed them.

The majority of participants indicated that they made the decision to begin their business because they felt they could not achieve the same level of excellence working as an employee within an organization.

[8] M: We wanted control. We wanted to do it our way. We had enough confidence to say... the values, the principles, the services and the philosophies that we have will attract some outstanding people who will both work for us and who will hire us. And that was the driver. And we are as transparent and authentic... we are what we are. There's no pretence.

NVivo analysis confirmed *Theme 3: A striving for quality in products and services*.

[5] F: We had quality on our minds right from the very beginning... And once people saw the quality of the work, they wanted us to work for them.... We've never taken anybody's money and not given them a quality job.

As indicated in Section 8.3.1, NVivo analysis revealed the values of *quality, excellence and good work* as the most frequently cited among copreneurs. Quality was articulated as a source of sustainability.

[4] M: But the thing is the sustainability that I see [my wife] putting into it is keeping the product – the quality of the product – high and the service

high. That makes for sustainability as far as I am concerned. So there you go.

[3] M: So I would say that from my perspective that has been the one, common denominator over the years has been the ambition to follow through and do good work. And to let everything rest of the fact that you do good work, and if you do good work, people will seek you out.

One business discussed an early franchise decision where quality was not maintained.

[2] M: So, we were new, we were fresh. You know it's like we're the new kid on the block. And so we had a lot of people coming to us – Will you open up additional stores? Will you franchise? Will you license me? Can I invest in your product and all of that. And we franchised and the quality of the franchise and the experience that we had with our partners was... horrible. And the quality was not maintained. And have all that many stores, we just realized when we came here that we so protected the

F: Integrity

M: Everything under one roof.

F: Mm huh [agreement]

[Note: The couple continues to run their business from a central location.]

#### **8.4.6 Stage 2 – Vision: Passion**

Passion was referenced by copreneurs when answering questions about values and goals. The issue of Passion was not explored via a direct interview question, although the majority of participants expressed Passion (either using the direct word, or indirectly in the way they talked in an animated and enthusiastic way about their business and personal lives).

[3] M: We have always been passionate about what we do and the way we work and our lives. Not real shallow people. And we've always wanted to do good work. Or if we had a house, we wanted a good house. You know everything we do, we like to make sure it's done well.... That's what's always appealed to me about [my business]. That not only do I love it but I am passionate about it.

[1] [speaking on passion for continuing to develop new restaurants]

F: Somebody said as long as you have the juice. We still have the juice.

#### 8.4.7 Stage 2 – Vision: Working Together

Responses regarding passion and enthusiasm were often articulated on the topic of working together. Initial responses on working together were most often made in response to a direct question:

*Q3.1: What events led to your decision to start a business together (personal, family, economic)?*

The Theme-Category Analysis uncovered *Theme 4: Joint passion for working together*. Couples expressed agreement that the opportunity to work with their spouse was a major motivator in starting and maintaining their business.

[2] M: We had the fantasy, the desire to work together.

[5] M: And one person – I'll never forget – told me, he says just remember when, you start your own business, the only partner you need is the one you sleep with. And, so I always remembered that. And that's why I work with my wife.

[1] F: And our history is that we each implement each other's dreams. But from the very beginning it was something that we fell in love with the business as well as being in love with each other and enjoying working and spending all that time together and the vision that we had was to bring something to [the U.S.] that we had experienced in Europe and Italy specifically.

Further, when asked which came first, the family or the business, the majority (both male and female) responded that the family – and specifically their relationship – came first.

[7] M: For me, the primary commitment at this point in life – I think it always has been – was our relationship. As long as that was strong, we could do anything.

F: I agree.

[2] M: Clearly it's our personal relationship.

NVivo analysis confirmed *Theme 3: Joint passion for working together*. Couples expressed agreement that the opportunity to work with their spouse was a major motivator in starting and maintaining their business.

[1] F: Well, I think we began the business not exactly on a whim but because we wanted to be together. And we each had separate careers in the arts and came together working in a restaurant.... It's really as simple as that and we just wanted to do something together. And that wasn't going to be photography and it wasn't going to be architecture, but we both had a love of food and we both had a love of Italy and we decided that we would open a restaurant.

Participants did not have a clear business idea developed when they made the decision to work together.

[2] M: Well, [we] had different careers prior to going into business together and she, being a teacher among other things and being a writer and me being a home builder, it was really very separate, but we had the fantasy, the desire to work together. And so that was what happened prior to us starting [the business]. And when we decided to go into business together, we knew we wanted to do that. We didn't know what our product was or what vein that we wanted to follow.

They viewed spending time working together as enjoyable, enriching and fun.

[3] M: We have the ability to spend, built in... to spend a lot of time together and to truly know each other.... So, I think the advantage is that we get to spend time personally, more than most people. Because we meld the business and the personal together. So, like tomorrow we have a meeting with a client and we'll both go to the meeting. And on the way we'll be able to chat, and on the way back, we'll be able to chat.

F: [laughs] It's sick, it's just sick... we like being with each other so much [laughs].

Working together was viewed as a source of relationship health.

[5] F: We get along better when we work together more than when we have separate things going on in our lives. I mean it sounds weird because we're together 24 hours a day, vacation together, live together, but we actually get along better if we're closer in what we're doing.... I think we strengthen each other.

And a source of personal and business fulfilment.

[4] F: And for me, the success of the business was that the two of us started it together. I don't think the business would have been as much of a success if it had been just me.

[7] M: Some of our greatest fun is creating business ideas and... our most intimate moment is in sharing our

F: [humorously] However, not quite.

M: Not quite.... Sharing our work together.

[8] F: I think this has been terrific for our relationship. To start with, I see [my husband] more because we're working together. We have more in common. We have more shared goals. It's fun to work together....

M: We do silly, fun stuff together. It wouldn't be as much fun if my spouse wasn't there.

Working together was also seen as a good for the business.

[10] F: I think it's been a very good combination. I think he would agree with that. I think he would say that I am a necessary adjunct to his flights of fancy.

[8] F: I do think we're a really good team. He's really good, and I make things better.

The bond of working together was so strong in two cases that two (male) participants remarked that they would not continue the business if anything happened to their (female) partner.

[2] M: I mean that... there's not even a blink of a doubt. If [my wife] said to me I want to move to Wisconsin tomorrow. I need seasons now. I've lived in the South too long. You know what – bye, close up shop. I mean there's just no doubt in my mind.... You know the rewards I get out of [the business] and the people I interact with are unlimited. But I'd walk away in a minute if our relationship, if [my wife] and my relationship were in jeopardy.

The strength was summarized by one couple.

[5] F: We always say...who are we? And we look at each other and we go, 'Together we can do anything.'

M: That's right.

#### 8.4.8 Stage 2 – Vision: Trust

The issue of Trust was mentioned by the majority of participants at different stages in the interview. The issue of Trust was not explored via a direct interview question. Additionally, Trust was a component of *Theme 9: A belief in a position reciprocal relationship between the business and personal relationship, particularly the foundation of trust* and was referred to in questions on decision-making in Section 8.6.3. Trust was often described as an outcome of the closeness of the day-to-day relationship.

[1] F: That's the other thing about being so involved with the other person is that there is complete trust. And if [my husband] says something I don't have to think about it. It doesn't have to cross my mind. I know... I'm done.

[2] M: The other thing is that there's – because our relationship works – there's the absolute trust that we're working toward a common goal together.

Trust was mentioned in relationship to decision-making.

[2] M: Sometimes it just boils down to trust. If [my wife] feels absolutely in her gut that she believes this is a path we need to follow, I trust it.

[5] F: I trusted [my husband]. He's a good judge of character. And if he said that this guy was OK, then you know, it was fine.

[6] M: I present something to her and I say this is what I think we should do and she says I trust you.

[8] I: What level of trust do you have in each other's decision-making?

M: It's total.

F: I have total trust.

And as directly relating to family involvement in the business.

[5] M: And what's great is that the family's all doin' it cause you can trust the family.

F: A hundred percent.

M: I can't trust an outsider with my money and with my name. It just doesn't work. But with family you can.

And directly relating to duties and responsibilities.

[6] M: She took on the house and the kids' schedules and my schedules and family stuff and the finances of the home and keeping it going. And mine was the office and we both trust each other that it's gonna be done right.

Trust was mentioned as an advantage in idea generation.

[8] F: There's always somebody that you trust that you can bounce ideas off of.... That's a huge advantage.

A source of advantage.

[8] F: I actually think that that's one of the advantages of being spousal business partners is that it comes with trust and it comes with...

M: [kidding] You're not going to embezzle?

F: No, well what would it do me [laughs]? There's no reason for that. There's no benefit [continues to laugh].

And a source of support.

[9] F: It's just easier when you have the support of someone you totally trust and care about.

M: We have absolute and total trust.

Trust was described as it related to staff. Three copreneurial enterprises relied strongly on in-house managers who were long-term employees.

[2] M: Some business owners feel they cannot leave their business. I feel that I have to leave my business. First of all it's therapy for me. But I totally trust the staff to take care of business.

## **8.5 STAGE 3 – START-UP**

Stage 3 included the following analyses factors:

*Theme 5: Absence of a defined strategic business plan or marketing strategy.*

*Theme 6: Allocation of responsibilities based on passion, interest and strengths (held constant throughout business life).*

*NVivo Nodes: Business Plan, Finances, Break-Even, Duties, Trade-Offs, Marketing, Employees and Changes.*

### 8.5.1 Stage 3 – Start-Up: Business Plan

Responses on business plans were most often made in response to a direct question:

*Q4.1: What was your initial business strategy (what to market, where, when, how, how)?*

The Theme-Category Analysis uncovered *Theme 5: Absence of a defined strategic business plan or marketing strategy*. There was a marked absence of defined, written business plans and strategies in the start-up structure, even with couples who had previous corporate business experience. Neither gender commented that a business plan was required or the absence of one was a problem. Businesses were started with little lead-time and most were self-financed without bank loans.

[1] M: We didn't know what we were doing. I mean I had some background in cooking.... But opening a business on my own, I didn't have a clue and I don't think [my wife] did either.

F: No, neither of us had any business experience.

[10] F: We didn't think about it that much. Nowadays people are encouraged to write business plans and so forth and so on. But we were blissfully unaware of all of that [laughs].

[2] F: I mean we made them [our systems] up one limp ahead of what we needed. So, it was extremely exciting.

NVivo analysis confirmed *Theme 5: Absence of a defined strategic business plan or marketing strategy*. None of the 10 couples had a formal, written business plan or written start-up strategy. However, two couples did present cash-flow proposals to financial institutions to obtain start-up funding.

[5] M: It's not like we sat down and we developed a plan. We both kind of had a concept of what we wanted and it was already pretty compatible, and we've kind of been wingin' it all along [chuckles].



[4] F: You know this thing was really organic. I don't think there was a lot of major planning that went on longer than the next few months or maybe the next piece of equipment we would buy or you know it's always the next remodel... We just kept adding space and kept kind of growing like an amoeba.... But as far as having a business plan where we said, "in five years from now we've going to..." we just never have been... that's not been our style....

There was a variety of business and non-business backgrounds represented in the sample.

[5] F: We never went to college, you know. We took some college courses, but we had no business... I think it comes naturally for [my husband], but we didn't have a business plan or anything.

[2] F: It was extremely entrepreneurial and we were self-taught, on the front lines... I keep forgetting [my husband] had a degree in business cause that's not...

M: Well, yeah when I was in school there was no such thing as entrepreneurship. It was like business school you had case studies of IBM and Xerox and General Motors. That was studying business.

Participants did not describe themselves as traditional business owners.

[1] F: We didn't look at things as business people. All we wanted was financial support of some sort – to be able to do our artwork, to be able to remain artists. And, we never did any sort of studies. We pushed a pencil around and said OK if we have this many people coming in and the average check is this... we knew at least that much. But we didn't really open with any kind of a plan.

[4] M: Our business is so unique as well. We've never really seen a model for it.

[7] F: I think some of that is that I don't think I have ever primarily thought about what we do as a business. I think I have primarily thought about it is that what we do is have a practice and consultation. I still see our selves as service people, not a business... if that makes any sense.

[10] F: It wasn't necessarily a plan that we would be a family business.

### 8.5.2 Stage 3 – Start-Up: Finances

Responses on finances were most often made in response to a direct question:

*Q4.2: How did you initially allocate resources for the business and family (includes finances)?*

Table 15 summarizes the method of financing and which partner(s) control finances for the business.

**Table 15: Summary of Business Finances**

Case	Method of Start-Up Financing	Control of Business Finances
1	Sale of house; loan from mother; early bank loan to purchase liquor license; trade credit	Wife
2	Home collateralized for \$15,000 bank loan; short-term bank borrowing from time to time	Husband
3	Self-funded from savings	Wife
4	Savings; family loan; \$14,000 in unsecured bank loans	Wife
5	Equipment gift from parents	Wife
6	Unsecured \$25,000 loan from credit union; Unsecured \$10,000 loan from loan association	Husband
7	Savings	Wife – accounting Husband - investing
8	Mother's estate; Unsecured \$50,000 loan from bank	Wife
9	\$60,000 bank loan	Husband
10	Sale of house	Wife

Source: Author

In most cases, copreneurs self-financed or obtained unsecured loans. As previously noted, none wrote formal business plans submitted for traditional bank financing (although one couple who obtained a bank loan developed projections for their retail business).

[4] F: I saved \$3,000 from being a waitress. My dad said he would match that – lend me \$3,000. My sister's banker said that she would lend us \$3,000. They would put in what we put in. And then I went to the banker

that sold me my first car when I was 16 years old and I had paid that car off and he knew it, and he really liked us and so he said he'd give us – he'd round it off, give us \$11,000, so we started with \$20,000. And the only reason we could do that was because my dad was in the restaurant equipment business and so we got everything half price. So it was a real grass roots thing, the way we started the business.

Personal relationships were often the basis for obtaining favourable financing in the start-up phase.

[5] M: We had no finances. We just started it.

F: Mom and dad bought you the table saw.

[8] M: And I got a phone call from a banker buddy of mine [the first week the business started] and it went like this, "Congrats, how's it going. Do you need any money?" And I said well, probably.... And he says well how about a \$50,000 line of credit. OK, what do I have to do? He says sign for it. I said I don't have to make a deposit in your bank? And he says, no you're a good bet.

The female partner most often handled the finances for the company (Female = 6; Male = 3; Shared = 1) – a decision from the start that continues to the present in the majority of enterprises. This was described as a component of a full-time position (not simply bookkeeping responsibilities) and included total fiscal management.

[1] M: Yeah, I mean she knew I wasn't good with money right off the bat. I mean at one point [before they were married] I was making a lot of money, or what I called a lot of money but was losing my house. I was losing everything because I didn't know how to manage it.... I just gave it over to her and she would manage it [his wife laughs]. I mean what a relief that was.

[8] M: [My wife] is in charge of everything we pay for.... We could change insurance carriers, we could change banks, we could change lawyers, we could change our benefits program, we could change our copier contracts, our purchasing philosophy, and unless she asks me, I don't even get a voice, much less a vote....

F: [laughing]... No, but the concept is that if he can convince me that this is best for the long-term interest of [the company], then it will open up the pocket book. Until that happens, it's pretty closed.

I: So, he has to justify your writing a check – to convince you?

F: Yes.

In the start-up stages, business and personal finances were intermingled.

[1] I: How were finances allocated between the business and your personal life?

M: They never were. The business took everything. It was the priority in our life and we felt that that's what had to work.

### 8.5.3 Stage 3 – Start-Up: Break-Even

Comments on break-even timelines were most often made in response to direct questions:

*Q4.8: In your mind, how long (years) was the business start-up phase?*

*Q5.1: In what year did your business start to make a profit?*

The perception of time in the start-up phase varied, even between owners, although 8 of 10 achieved start-up in one year or less.

[4] F: Start-up phase? Six months [laughs]

M: [laughs] Ok, I'm glad I didn't say anything.... Eight years is what I thought.

[1] F: It took seven years.

M: See I never knew these things. I didn't know.

F: It took a full seven years.

In these two cases, this may be attributed to the division of duties with one partner responsible for all aspects of fiscal management. One couple perceived start-up as an ongoing creative track. They joked that after 29 years, they still feel they are in start-up. Table 16 indicates reported start-up time-frames for the companies based on profitability (i.e. meeting all expenses including a market-rate salary for the principals and maintaining an acceptable and sustainable profit margin).

**Table 16: Summary of Years to Profitability**

Case	Time to profitability
1	7 years
2	5-6 years
3	Immediate
4	6-12 months
5	1 year
6	6 months
7	Immediate
8	3 years
9	Immediate
10	1 year

Source: Author

#### **8.5.4 Stage 3 – Start-Up: Duties**

Comments on division of duties were most often made in response to direct questions:

*Q4.2: How did you initially allocate resources between the business and the family (includes time)?*

*Q4.5: How did you initially structure business and family operations during start-up?*

*Q6.1: How do you allocate day-to-day decision-making for the business?*

*Q6.2: How do you allocate day-to-day decision-making for the family?*

The Theme-Category Analysis uncovered *Theme 6: Allocation of responsibilities based on passion, interest and strengths (held constant throughout business life)*.

The start-up structure (i.e. allocation of responsibilities) reflected choosing individual areas of responsibility based on ability and interest of each owner. In one case, the accounting function was allocated based on “who disliked it the least,” but in most cases, there was an intuitive allocation of functional responsibilities based on who “liked” to do what. Furthermore, the initial functional structure was not based only on gender roles (or roles that would allow the female owner flex-time for child-care duties), but were based on natural

abilities and individual desires. Initial allocation of duties has continued for more than 20+ years.

[10] F: You know I think that has held true all the way through. I mean [my husband] has been the outside person and I have been the inside person. [He] has been the technology person and I haven't. I've been maybe the employee person. I know I've been the legal person, although I make him do the actual contact work. But I'm the one who gets to read through the contracts and say "nyet." And I'm the one who manages the money although that evolved slowly. I'm not sure we made really conscious decisions about how we would do that in the very beginning but now 30 years into it we definitely have a kind of a fixed arrangement about who takes care of what.

[1] M: We never said... [she] never said to me, you're going to do this. We just looked at it and I think we knew each other's strengths and weaknesses and we just kind of separated and just went and did it. It just kind of... there was no verbal saying, you're going to do this or I'm going to do that. It just kind of fell that way.

[8] M: So, the way we set this up, which really has not changed... [she] is in charge of everything we pay for. I am in charge of everyone who pays us. We don't have a vote, we don't even have a voice on the other side unless we're asked.... We are a totally empowered partnership.

[7] Interviewer: How do you allocate the day-to-day decision-making for the business?

M: You know we certainly don't sit down and talk about it. We just seem to do it. This needs to be done and I'll say OK I'll do that, or she'll say she'll do that.

[2] M: When we first incorporated, we decided jointly – [my wife] you'll be the president the first year and then every other year we'll alternate. That has never changed. So, she's still president! [laughs].

NVivo analysis confirmed *Theme 6: Allocation of responsibilities based on passion, interest and strengths (held constant throughout business life)*. NVivo revealed additional detail regarding how duties were assigned when neither partner had the skill or desire to take them on.

[1] M: Yeah, I mean she knew I wasn't good with money right off the bat.... I'm still not, a very good delegator.

F: Yeah. Baking was one of those things that just fell into my lap because he had less experience with it.

[2] M: My wife said, well I really don't want to do the books. And I go well I really don't want to do the books. So then it became a point of like who doesn't want to do it more. And she really didn't want to do the books, so I inherited doing the financial end of the company.

[3] F: I think initially back then and even now, our whole lives it's been what do we "want." Who "wants" to do that, first. And if neither of us wants to do that, who would be best at doing it?

In addition, the division of duties *and authority* was described as beneficial to the marriage.

[4] F: We started separating out the jobs and said look we're gonna do it so there's no second guessing the person who's doing it. The person who's doing it will report to the other person, but you know they're gonna be in charge of that. And that's the way we have stayed happily married while we were still running the business.

In other cases, business responsibilities were carried out based on the functional needs of the business.

[1] F: ...but it was almost as though we had the list in our heads and we were just kind of... whoever was ready to do it just did it and checked it off and moved on to the next thing. So, that's really what happened. We were both in the kitchen, we both cooked, we both took care of the clients, or I took care of the clients more than [my husband] did, but we were both in the kitchen day and night.

Household responsibilities were divided along traditional lines in most cases with female partners indicating a greater ownership of household decisions. However, this was not consistent in all cases. One couple (an American/Asian family) who reported equal ownership and strategic management *of the business*, divided up day-to-day responsibilities along more traditional male-female roles.

[6] M: She runs the house and makes sure everything's going here. And I run the office. And the work...I think one of the things that's really worked well for us, I think, a really important thing, is that we kind of know where are places are. We didn't really have to discuss them. It just kind of happened. She took on the house and the kids' schedules and my schedules and family stuff and the finances of the home and keeping it going. And mine was the office, and we both trust each other that it's gonna be done right.

The oldest couple in the sample reported more traditional division of responsibilities. However, three couples with children articulated a more flexible division of responsibilities.

[3] F: I don't ever remember who took care of the household things.

[7] M: Whoever was available.

F: Or whoever could best solve the issue.

M: We just did it.

[10] F: When we started, the business was in our home. So it was not difficult to make those allocation decisions. I mean whatever happened, happened.

#### **8.5.5 Stage 3 – Start-Up: Trade-Offs**

Comments on Trade-Offs were most often made in response to a direct question:

*Q4.3: Describe trade-offs (business, family, self) you made during the start-up phase?*

The predominant theme among participants was that resolution of identified dilemmas was a part of the couple's enterprise management and efforts were made to incorporate goals from business, family and personal, as described in this lengthy exchange.

[1] I: How did you manage the tradeoffs in those three areas [business, family, individual] during those growth stages when you are making all these decisions?... What happened to the sculptor and photographer [the couple's previous vocations] within the context of this change in the business – with the restaurant taking over so much of your time?

M: We didn't feel we gave up anything.

F: No, we're totally in house. Any design that goes on here is done in-house. Any building plans are done in-house. [My husband] is the designer, the contractor, A to Z.

I: [to husband] With your architecture background?

M: With my architecture background....

F: We basically have one life and it all just is under basically this roof.



M: I never felt frustrated. I never felt that I gave up anything. Running a restaurant is probably one of the most exciting things in the world because you get all of those things that you... but you have to know and recognize that. If you don't recognize it then you're always frustrated. I was fortunate right away to see I can still design, yes, I can still cook. And I love building things so I still have that through the cooking. [My wife] still has her photography. I know in her eyes when she puts a plate together it's as a photographer. And I can walk away from it and know that it's going to be splendid, that it's going to have a certain responsibility to it.

F: And then there's also the architecture of food. There's the architecture of putting something together, of putting ideas together. And there aren't that many original thinkers in food.... I don't know when the fountain will dry up if ever it does, but we have a continuous flow of ideas, of creativity. It's not looking across the river to see if someone is doing this particular dish and I'm going to do it and just improve on it a little bit. It's a very down-from-the-bottom, through-the-mind kind of process.

[4] F: I don't feel like I ever made any trade-offs, had to give up anything to have the business. I really felt that the business was my main goal at that point. So I didn't feel at all like I had to give anything up.

M: Well, I agree with [my wife].

Copreneurs were conscious of work and family obligations regarding children and made efforts to accommodate both.

[2] F: So I would arrive at their school plays in the nick of time and I'd see the [claps] you know the closing. You know, I was there, I was there. And [my husband] would make sure, and we would bring the kids in all the time. I mean they worked here, you know folding boxes, and many times in the earlier years we would be working at the shop until very late and they would... you know this is the story that everyone loves to hear that literally they would be asleep on sacks of flour. But we'd be together. You know, we'd be together.

M: But the good news is there's two of us.

F: Yeah

M: And that, you know, because we could divide and conquer.

[6] M: We were there when our kids took lessons and dance and music, their concerts. Never missed anything. Never missed a game, never missed a concert, or a performance. And, just a blink of an eye, it's all gone. But we were there for every moment. They can never blame us for not being there [laughs].

F: Too much [both laugh]

M: Too much smothering maybe [laughs].

In two cases, stories did reflected conflicts between the three areas (business, family and individual) in families with children.

[2] F: Yeah. There was once day when I was on one of the television programs. And I was home changing, getting ready to drive there, and then [my son] walks into the house crying and his collar bone is sticking way up here... and what am I gonna do? You don't call the television station and say, 'I know I'm supposed to be on the air and it's an hour before and I'm not gonna be there.' And I said I've got to go. [To my husband] you have to take him to the hospital. And he left and, but I cried all the way, cried all the way. Still, I think about that... I left him there... you know... hard, cause we're... the business pays for their braces, pays for their pants, pays for their college, pays for their bicycles, and yet... everything is number one. So, very, very hard. And very hard for us, especially in those years because that was when we experienced the most growth... to compartmentalize our lives.

[3] F: I did work full-time. We had a nanny for the first two years of her life. And then after that she went to pre-school – a seven-hour thing. But I definitely stopped working until two o'clock in the morning. Those sorts of things stopped for me immediately.

Trade-offs were noted between individual and business goals at various times in the business stages. Table 17 provides a broad view of issues and their resolutions.

[continues on following page]

**Table 17: Trade-offs and Resolutions**

<b>Case</b>	<b>Issue</b>	<b>Resolution</b>
1	Reconciliation of architecture and photography careers with restaurant business.	Both perceived careers as incorporated into restaurant duties and responsibilities.
2	Owner's desire to use teaching skills while managing retail food company.	Left day-to-day management for five years to pursue speaking tour; retained strategic management duties. Returned when General Manager groomed as replacement did not stay.
3	Reconciliation of primary design business with husband's sports hobby.	Both changed industries after 10 years and started a new company based on the hobby.
4	Reconciliation of creative hobbies with restaurant business.	Groomed General Manager to take on day-to-day responsibilities to provide more time for development of secondary businesses based on hobbies. Incorporated writing into cookbook publications.
5	Inability to take family vacations after starting own business	Took mini breaks and weekend getaways. Brought children into the business early on.
6	Wife's desire to start a second business.	Pursued second business but returned when family became out of balance.
	Husband's desire to play music professionally.	Returned to pursue hobby after children were grown.
7	None mentioned	
8	None mentioned	
9	Husband's entertainment career	Skills incorporated into the business
10	Wife's art career	Incorporated into a complementary business in magazine publishing

Source: Author

In all cases, participants articulated both the issue and the solution in their interview answers. There were no instances where the dilemma was not resolved and the resolution was not offered as part of the answer. A structure for resolving trade-offs was articulated by two couples:

[7] F: The way we operate with our own family really sort of parallels the way we operate with [our consulting business]. We are constantly putting our heads together and saying, OK, what does this family need and which one of us can best deliver it? Or does it take both of us? We are

constantly in those kinds of conversations and making those kinds of decisions – both personally and professionally.

[8] M: It's not like I'm one of those people that says well I sacrificed this for this side. No, I'm a Covey disciple. It's either Win-Win or No Deal. It's an abundance mentality. So we've always had a commitment of balance. I guess that's where you would net that out. If it was good for career, but not good for family, we weren't very interested. If it was good for family but it really was gonna screw up career, not so interested there either. They all had to work in a synergistic fashion.

[9] M: Getting out [of the entertainment business] served our future together.

F: I didn't want him to give up what he wanted. I remember him saying, "I'm ready."

M: This is what I wanted to do now. I've never regretted it.

### 8.5.6 Stage 3 – Start-Up: Marketing

As previously noted in Section 8.5.1, NVivo analysis confirmed *Theme 5: Absence of defined strategic business plan or marketing strategy*. Section 8.5.6 further articulates the marketing function for the business. Responses on marketing strategies were most often made in response to a direct question:

*Q4.1: What was your initial business strategy (what to market, where, when, how)?*

Responses reflected an absence of defined, direct written marketing strategies.

[7] F: We didn't do any direct marketing. It was all referral and word of mouth.

[6] M: We never advertised....

F: Word of mouth pretty much.

[4] F: Again we have never gone out to get that business [wholesale]. It's just people call up and we respond. So it grows whatever people want it to grow [chuckles]. .

Although marketing plans were not developed and executed, relationship marketing was articulated by most couples as valuable in the start-up phase and later growth stages.

**[5] M:** [In] the early days, people who knew what I did came to me saying they just needed a little project here and there.... People had built-in appliances back then that were built in the 70s. And of course when the new wave of new appliances came in, nothing would fit. So they had to be retrofitted. So you had to do some finishes and all that to match it. And that's where I got a lot of work.... Once people saw that, they said if you can do that you should be able to do this. And so it was just one thing led to another.....

**F:** Once people saw the quality of the work, they wanted us to work for them.

One firm referred to their marketing practices as "attraction marketing."

**[8] :** 94% of every dollar we've ever billed anyone came because I got a phone call... We are a proven track record of the marketing premise that we have coined called attraction marketing which says: First, be great at what you do. If you're a poodle trimmer, be a great poodle trimmer. Second, tell everyone all the time what you do in a way that says if you need your poodle trimmed well, I'm your guy. And then, three, be incredibly assertive and enthusiastic when the phone rings. Don't just lay back – oh you know you want to meet with us, three weeks from Thursday will be.... No! How about now. I'll jump in the car. So, we're not cavalier; we're not passive. But we don't go sell. What we do is we do community work in a leadership way and we practice attraction marketing to speak, to give back, to teach, to lead. And we're proven the fact that that comes back as a phone call.

The value of community in specifically generating business was echoed by a second couple.

**[5] F:** And it depends on the community, too. We've always been active in every community we've been in. Marketing and community go hand in hand. The more you do for your community, the more people see your name out there and uh, it's subliminal.

Customers' needs were often the source of new marketing directions.

**[2] M:** And that was just again hearing that one of our employees has celiac disease and so we're learning about their needs. We were just coasting along three years ago and somebody said 'you should do gluten-

free [products].’ We would have gone OK [slaps hand] we’re on it, as opposed to OK here’s a market. Let’s explore that market. We can serve people who have special dietary needs and increase our sales as well.

[3] M: People said, you know what, we’d love to send these gifts or we’d like to give these gifts. I’m a doctor and I have to thank referring doctors. Can you do that? It was from that that my wife said, well why don’t we customize these gifts with the doctor’s name and designs on their gifts?

[9] F: We got to know every one of our customers and geared our buying and our store to their needs.

Although copreneurs did not follow traditional marketing patterns, marketing was suggested by a number of couples as an issue they would have handled differently during the start-up phase. This finding will be described in Section 8.5.8.

### **8.5.7 Stage 3 – Start-Up: Employees**

The number of employees was one of the questions asked on the pre-interview data collection form. Number of employees ranged from 2 to 150. Organizations had flat structures, with few layers of management. The predominant structure was two layers (i.e. owners and employees). In a number of cases, long-term employees were groomed to fulfil an executive role. The role was described as a third senior executive (with the owners being 1 and 2) rather than an additional layer of organizational structure. In two cases, the home-grown executive was given a small ownership stake in the business. Table 18 describes the organizational structures of each business.

[continues on following page]

**Table 18: Organizational Structures**

Case	# Employees (excluding owners)	Organizational Structure
1	85	Two layers. Owners directly manage employees at home site. Long-term employees groomed for management of new sites. One has part-ownership of a site.
2	Up to 150 (seasonal)	Two layers. Owners directly supervise two main functional areas and three administrative staff.
3	2-8	Two layers
4	130-140	Three layers. A long-term employee was groomed to be a managing partner with small ownership. Functional department managers.
5	20 (check)	Two layers. One long-term employee functions as shop foreman when owner is off-site.
6	1	Bookkeeper
7	1	Bookkeeper
8	9	Two layers. A long-term employee was groomed to be a senior vice president. No ownership at this time.
9	13	Two layers
10	10	Two layers

Source: Author

The lack of formal organizational structure was articulated.

**[1]** You have no levels of management between you and the staff?

F: Yeah. There were people on staff who rose to the top of the staff, but it was really kind of a committee. Nobody was....

M: We never said, "You're going to be a manager."

I: And with 85 people now, you...

M: We still do it ourselves [both laughing]

**[2]** M: You know we don't really have a formal organizational chart.

The work environment was often described as empowered.

**[4]** People are self-motivated.

**[2]** Pretty much everyone is responsible for their area.... The people in our company – really they take care of their department. Some business owners feel they cannot leave their business. I feel that I have to leave my business. First of all it's therapy for me. But I totally trust the staff to take care of business.

With employees thought of as individuals valuable to the business.

**[5]** We do think of them all very closely. We spend all this time with them. And we know them. And after a few years, you know their ups, their

downs, their limitations, their... ah, what they're best suited for and you sort of work with that. But when you work with people, for, you have them there for five or six years, you know that person very well. And you don't want to... it is a big weight on your shoulders knowing that you're responsible to keep the payroll going and all that stuff.

F: And we've never missed a payroll yet. [she knocks on wood]

M: Right

F: We don't get paid, but everybody else does.

M: Yeah, we will not take a check....But they don't realize that they come first. Without employees, you don't have a business.

One business described a family atmosphere. Before moving to formal offices, they operated out of their house with six employees (and two owners) working together.

[8] F: The thing that's amazing is that we had really quality employees and they were willing to do that.

M: To put up with that.

I: Six employees at the point before you moved out? Six employees working in your house, including in the boys' bedrooms.

M: It would be lunch time and everyone would go in the kitchen. We'd say 'You make up the salad and you make up the sandwiches' and we'd go outside on the patio and we'd eat and then it was like OK, back to work, and it was as family you could possibly imagine. We had people working in our house 24 by 7.

### 8.5.8 Stage 3 – Start-Up: Changes

Responses on changes were to direct questions:

*Q4.8: What kinds of changes/adjustments did you make during the start-up phase?*

*Q4.9: Looking back, what would you have done differently? Why?*

Only a few comments were made about changes copreneurs made *at the time* in response to Q4.8. This is consistent with previous comments about the unstructured nature of their start-up process. Table 19 highlights responses by case to Q 4.9 regarding what participants would have done differently.



**Table 19: Summary of Owner Changes during Start-Up Stage**

Case	Paraphrased comments
1	Nothing, but perhaps easier if had business education
2	Run it tighter, leaner
3	Hire a partner who know the business side with business education
4	Make fewer products; pay people more.
5	Nothing
6	More marketing, web-site development, save more, not spend as much, accelerate debt payments
7	More focus on business (vs. professional org. membership)
8	Not hire so fast; lay off people faster; run leaner
9	Put more money into it.
10	Built a better base for long-term growth

Source: Author

Responses were primarily in two categories – skill enhancement and fiscal responsibility. However, even though participants answered the question and provided examples, they often qualified their answers with a second reflective, qualifying statement.

[1] I: Looking back, what would you have done differently in those start-up years?

F: I don't know. Probably nothing. It would have been easier if one of us had had some sort of business education I suppose. But who knows what would have happened if we had. We probably would not have stuck it out. We probably would have said this is ridiculous and let's move on, let's cut our losses. But we hung on and we went on for seven years until things started changing and that was all over one major article in a national magazine and things changed virtually overnight.

[3] F: I think we could have taken on a business partner or had more of a business education.

M: Yeah, that's what's lacking because you're not talking to two people who are MBA-oriented people. We're right-brain, creative people. And so even though I think we each have a sense for the business side, and we're responsible

F: We're so adept [cross-talk] because we've been through it....

F: How long have we talked about it? [to her husband]

M: Yeah

F: Having a business partner. But we've never acted on it.... I think honestly it was because the two of us were so tight together, we just had a hard time even thinking about really bringing a third person into that.

[the wife at one time thought about going back to school to get an MBA but never did.]

[8] M: What would we have done differently? Maybe not hire quite so fast, maybe move out a little faster, but I've gotta say, I don't feel we've made a lot of mistakes back then.

[9] M: Put more money into it.... But we were more stupid. Maybe it was good that we didn't have more money.

One couple stated the concept clearly (they interpreted the question as my asking for "regrets" about the start-up stage of the business).

[4] F: We wouldn't have started making so many different kinds of products. We didn't start that way. But we would have more careful about how we added products and not been such a full-service type of visit. I think that's the only regret I've got is that we made too many different things.... So the answer to your question is... You know I am not a person who has a lot of regrets. But as far as the business is concerned, I think that's the only regret I have. Or maybe being able to pay people more money. The over the counter sales people, the bakers, you know our staff more money. Just because we're in food service, it's just not possible. What about you? [to her husband]?

M: Well, I don't have any regrets.

## **8.6 STAGE 4 – GROWTH**

Stage 4 included the following analyses factors:

*Theme 7: Absence of planned, written growth strategies.*

*Theme 8: A minimization of the effects of conflict and crisis.*

*Theme 9: A belief in a positive reciprocal relationship between the business and the personal relationship, particularly the foundation of trust.*

*NVivo Nodes: Growth Strategy, Organic, Decisions, Conflict, Crisis Management, Leadership and Outside Manager.*

### **8.6.1 Stage 4 – Growth: Growth Strategy**

Responses on growth strategies were most often made in response to direct questions:

*Q5.2 Describe historic growth stages (or patterns of growth) in your business. Include the year(s) when growth trends occurred and the reasons (i.e. expansion, acquisition, etc.). You may want to refer to the timeline you constructed.*

*Q5.3 What factors are considered in making growth decisions (i.e. business factors, family factors, individual factors, economic factors)?*

*Q5.4 Describe the decision-making process and your roles.*

*Q5.5: How would you describe the trade-offs between the need for competitive advantage, family stability, and individual career growth?*

The Theme-Category Analysis uncovered *Theme 7: Absence of planned, written growth strategies*. Responses for the growth phase of the business continued the same trend toward spontaneity and flexible decision-making that characterized the business start-up decision and start-up marketing strategies. Growth was achieved primarily through word-of-mouth and relationship marketing.

[6] M: I became successful in spite of myself because we never got out and marketed or anything, just word of mouth.... . The first week we got there I doubled my practice. And never looked back. It was the oddest thing. When we opened up our doors my practice doubled from being at the other doctors' office.

F: And then tripled within six months.

[5] F: [W]e never advertised for the first 13 years we were in business.

In many cases, responses on expansion decisions were described as based on the intuition of one partner, with agreement between both partners often based on a belief that the other's intuition was correct. Decisions were often spontaneous, even with major decisions such as purchasing real estate for expansion.

[6] M: It's interesting how we got this particular office. A chiropractor who worked there, I saw him carrying a surfboard back from the beach to his office one day and I thought gosh if this place ever comes up for sale, god what a great place. And it was probably about a week after that we got a pamphlet, a leaflet in the mail "for sale" the place was for sale. And I was excited and I called her, called her up and I said you'll never guess what's for sale. So it's like we're buying it, I don't know how we're going to get the money, so we just called up our realtor and just said you know

F: Just give em an offer.

M: Give em an offer. Full-price offer. We want it... we'll figure out how to get the money later.  
Interviewer: And an immediate agreement on what you wanted to do?  
M: Yeah [wife nods]

[1] F: Well our dreams change every day. There's just some recurring dreams [both laugh]... But they do, I mean they change day to day. We can drive down the street and look at a space [real estate] and say wow this is what I would do with that. And sometimes those things just take you over. But there's still a lot of, there's still a lot of serendipity in our life... We still have spontaneity.

[5] M: What really triggered us was that I took a chance.... But that's what got us in. That's what got us to the next level. But I remember there was just about everybody, even my accountant telling me don't do it. But I just, once again, I didn't listen to anybody.  
Interviewer: [to his wife]. And what role did you have in that decision?  
F: I trusted him. He's a good judge of character. And if he said that this was OK, then you know, it was fine.

[2] F: The way that it worked best for us was that [my husband] and I have very separate areas of responsibility. And therefore we functioned independently in those areas. But when it came to the growth decisions and the investment decisions, we had to agree on that. So, that was the process and to this day that's how it works.  
M: And we make our decisions differently. [She] viscerally knows immediately how she feels about something. And I have to sleep on it. I have to think about it. I have to digest...  
F: Drives me crazy  
M: Yeah, and I have to ask her for her patience while I'm going through the process. And then ultimately these are gut decisions that we, how we make our decisions.

NVivo analysis confirmed *Theme 7: Absence of planned, written growth strategies*. Responses for the growth phase of the business continued the same trend of unstructured plans and spontaneous decisions that characterized the start-up phase.

[1] F: We don't make decisions to grow. We just make decisions to... let's do this or let's do that.

[4] F: I did not have a vision of getting larger. I just didn't. I just don't work that way. I'll get an idea and go for it. And I'll do that until I get another idea and go for it. But I don't have ideas before I do it. I don't have long-term ideas of what I'm going to do in the future. I mostly have an idea and then I just do it.

M: She's telling you the truth [laughs].

F: I don't know whether it's bad or good, it's just the way I am.

NVivo analysis revealed a deeper “opportunistic” nature of growth decisions. Although on first review in the Theme-Category Analysis they appeared unstructured, that characterization has been adjusted through NVivo analysis. There are numerous examples of “opportunity meeting fast-track decision making.” Table 20 highlights a range of growth decisions made by copreneurs based on reactions to external events.

**Table 20: Examples of Opportunistic Growth Decisions**

Case	Event – Direct Quotations
1	F: Somebody brought that derelict building [next door where they were using the parking lot] and we had a meeting and said, we've got to do something to protect ourselves in this environment because big business is coming and where are people going to park? la la la. Well, let's buy the building across the street. It's got a big parking lot. And that's how we bought this building. Then it was... What are we going to do with the building? We'll open another restaurant. And that's how things just happened.
2	F: So, we're just constantly that work in progress, that evolutionary re-creating, reinventing ourselves all the time. This last Christmas we had a situation, obviously not with the economy, but with the immigration laws here. So, you know we had to really set in new [employment] systems and so we said who's getting hurt the most in this economy? We realized it was, you know, we went for seniors. So, we hired grandmas for the holiday season. Had a job fair. Four hundred grandmas and grandpas showed up in our parking lot for 120 jobs. And now if and when there's any opening, we only hire grandmas. Well grandmas brand us. We help them. The work ethic, the whole concept is a match and uniquely for [our company].
3	M: We kind of stumbled upon the office. We had always thought about having employees. And those two things sort of happened simultaneously.
4	F: Let me say overall that our growth has always been mandated by spaces being available in the [shopping] center and us taking over spaces. So the first space that became available was a little cottage out in the back. I: So are you saying that you knew what you wanted to do and then as the space became available you took it? F: No, I would say that is exactly the opposite of what happened. I don't think we knew what we wanted to do. We're pretty much people who live for <u>now</u> or our next idea. We didn't have an idea and we were waiting for space to come available. We were operating a business and when space became available we said, all right, now how do we want to grow into that space?

5	<p>M: I never dreamt that it would lead into what it did. This guy says, 'I want to have a showroom.' He says, 'Would you be willing to put the cabinets in for free?' And he says, 'And I'll put your name on them.' So I said oh well, all right I'll think about it. And everyone said no, he's just gonna get free cabinets out of you, he's gonna screw you out of it.</p> <p>F: And he never even met this guy before, so it was a risk.</p> <p>M: Yeah... But that's what got us in. That's what got us to the next level. But I remember there was just about everybody, even my accountant telling me don't do it. But I just, once again, I didn't listen to anybody.</p>
6	<p>M: It's interesting – this particular office... a chiropractor who worked there – I saw him carrying a surfboard back from the beach to his office one day and I thought gosh if this place ever comes up... it's right near the beach, within walking distance... if this place ever comes up for sale, God what a great place. And it was probably about a week after that we got a pamphlet, a leaflet in the mail "for sale" the place was for sale. And I was excited and I called her, called her up and I said you'll never guess what's for sale. So it's like we're buying it, I don't know how we're going to get the money, so we just called up our realtor... and we'll figure out a way to get the money later..... The first week we got there I doubled my practice. And never looked back. It was the oddest thing. When we opened up our doors my practice doubled from being at the other office.</p>
8	<p>M: There was a guy in our industry and he came to me... and it's like we don't quite have enough business to justify [hiring him]. This is a six-figure hire, it was our most expensive hire. And I remember we took our walk, along the lake out here... and so what we decided <u>together</u> is he has three months. We'll carry him for three months. Within three weeks, he was generating more... I mean it was a great decision.</p>
9	<p>M: A retail space on the corner became available. I went down and rented it with no idea of what I wanted to do with it. I thought if nothing else, we might move our business down there. [they eventually opened a new store concept that was immediately profitable].</p>
10	<p>F: We were having trouble sourcing products and keeping up with demand and then the opportunity came up to make them in Taiwan [they now have manufacturing arrangements in three cities in China].</p>

Source: Author

The decision-making produced steady growth in the majority of companies.

[7] M: For me, it's been relatively constant throughout. We talk about it between ourselves as a percentage of our gross income, and that's been pretty constant. Also, a percentage of our working time. And that's been pretty constant, too. And I think we've unconsciously decided to keep it that way.

[4] F: Right, there's never been anything *but* a growth phase. [husband laughs]. Our business has always been in a rapid growth mode.

Even during recession.

**[4]** M: In the beginning we were growing faster than we are now.... As far as economic woes of the last year or so... we feel pretty fortunate that we've only been off three to six percent, whereas people that we know have been down 10%, 12%, even 20% at times. So our loss of growth has been much less than a lot of people in a lot of different trades.

Staying true to values, even in hard times, was key in several companies.

**[1]** F: It was a steady growth curve and I'm trying to think in terms of recessions of the past. It seems that the recession of the '80s we really sailed through I think because of our philosophy.... We were always known for quality price – a good price-quality ratio. So, I think that was one of the ways where we sailed through the recession. We've had steady growth and that was that.

**[2]** But I think that many times in our past – in the 80s and maybe the 90s, – [the trend] is urban and cutting edge and edgy, edgy – you got to be edgy, you got to be cutting edge. I mean we're not edgy. We're homemade. We're all natural. Well, maybe we need to change... but I think we will not vary from what our core values are.

Growth decisions were not made without risk assessment.

**[8]** The risk was when we were signing the lease for this place. Because the first lease was \$600,000.... And we had a meeting with our accountant, and I said we need to do a worst-case scenario with you. What happens if this thing tanks and we go bankrupt? And he walked us through. He said we'll move this over. He'll protect the kids' college. We'll pay off your house. You'll both have cars. You'll have crappy credit for the next five years. And I walked out of there going, I could live with that. OK, and I signed the lease. That was the scary moment.

However, growth decisions were sometimes made on the basis of the intuition of one of the partners.

**[5]** F: Everything's a risk. When we moved out here [from our home state] it was a risk.... So it was kinda well, take a chance, see what happens.... I trusted my husband. He's a good judge of character. And if he said that this was OK, then you know, it was fine.

Rapid growth was not articulated as a guiding philosophy in most companies. Rather, growth decisions were based on a variety of factors including individual desires, core values and a drive for satisfaction in life.

[1] F: We didn't feel in the very beginning that [our first restaurant] was maybe giving us the satisfaction that we needed and rather than think in terms of expansion where we were, we thought of expansion with a different location so that's how [the second] evolved. And then one thing kind of led to another.

I: Which brings me to the other big growth decision, the cookbooks. How did that decision come about?

M: That was her [both laughing]. She wanted a cookbook like a baby. I like doing that because for me it was like a woman wanting to have a baby. She wanted to have this – and I can't write.

F: Well I couldn't either. It was just a very exciting learning process. It was... I don't know how we even got involved with it, but it seemed like...

M: It was offered to us.

I: How well were you doing financially at this point?

F: Very well.

[5] M: I think we did it right because we went slowly. A lot of people wanted for us to have a big facade up and have the brand new truck and all this, the receptionist and everything, which we didn't have.... But I wouldn't change anything that we did. We went slow, very slow.

[2] M: So if an opportunity comes down the road – and we've had opportunities that we've... it was not right.... I've had people say we can add these preservatives and we can go on the shelves of supermarkets, and you know that's not what I want to do. At some point I would think that we might sell the company. But it's not something that we're pursuing and when we do it will be the right time and it will be to the right people. Because to me again, it's a value. They would have to be buying a brand and what we've created over these two or three decades.

[9] M: We never wanted multiple retail stores. Without [my wife's] signature, it loses a lot of its value.

[Note: the same copreneur expressed regret that they did not immediately open additional stores based on their second, successful concept store, which would not have been as dependent on the personal selling style of his wife. They are exploring that expansion option at this time.]

Two subsequent sections on Decision-Making (Section 8.6.3) and Leadership (Section 8.6.6) will provide additional examples of the structure of how copreneurs make decisions.



### **8.6.2 Stage 4 – Growth: Organic Terms**

The concepts of “organic, spontaneity and serendipity” were referenced by copreneurs when answering questions about start-up and growth. Although the majority of copreneurs referenced a lack of written, planned structure in growth, three copreneurs articulated growth strategies using organic terms, including living in the present.

[2] M: And so, it was really very organic [growth] as opposed to our game plan when we opened our doors in 1981 [Note: They at one time had a franchise plan they implemented and then dissolved].

[4] F. You know this thing was really organic. I don't think there was a lot of major planning that went on longer than the next few months or maybe the next piece of equipment we would buy or you know it's always the next remodel. We've had to go from remodel to remodel.

[1] F ... There's still a lot of serendipity in our life..... And a lot of, what is the word, we just don't plan things, we just... spontaneity... We still have spontaneity.

[5] F: And that's why I think things are working for us because you have to be open to everything. You never know what's gonna happen. Five years from now we could be doing something entirely different, not even knowing that path has been set for us already. I don't try to control anything anymore. Because that makes you crazy. You can try to do the best you can, but you can't control everything. And that's what keeps me goin' anyway. I know there's a lot of things that are out of my control and I don't even go there anymore. What happens in the past happened in the past. What's gonna happen in the future happens in the future. I focus on today.

### **8.6.3 Stage 4 – Growth: Decisions**

Note: Questions on the Stage 4 (Growth) included general questions about Decisions (Section 8.6.3); Conflict (8.6.4); Crisis (8.6.5); and Leadership (8.6.6). The questions were asked at this point (and not earlier) because it was assumed answers would more accurately reflect structures if the questions were asked

after the business passed the start-up phase where decision-making processes were still being defined.

Responses on decision-making structures were most often made in response to direct questions:

*Q6.1: How do you allocate day-to-day decision-making for the business?*

*Q6.2: How do you allocate day-to-day decision-making for the family?*

The focus of analysis of the Decisions node is on the decision-making processes and structures, not the decisions themselves (Growth decisions were previously analyzed in Section 8.6.1 on Growth Strategy). Decision-making was often expressed in the context of work-family-individual interfaces. The analysis for this node on Decisions initially presents one in-depth example (Table 21) of the decision-making process as it relates to a major life change that impacted business, family and individual for one couple followed by other examples among the sample.

[continues on following page]

**Table 21: Decision-Making Case Example**

**Decision:** To leave day-to-day operation of multiple restaurants and move to France for a one-year sabbatical. The one-year sabbatical was subsequently extended to three years.

Event	Quote
Professional recognition led to development of a book and subsequent book tour. The couple was away from the business for 3-4 days at a time over a three-month period.	F: The pressure was enormous once we started to get recognition.... It was at that point when I realized we can be away from the restaurant for a day, two days whatever and still have a business and that's when I said to [my husband] we've got to get a life.
Managing a second restaurant required a two-hour commute each way.	M: I felt like I was just burnt out cause travelling up and back... And that really got to me. It really worked on me. And I said to [my wife] I could do this now. And she's on the phone and says OK, we're doing it.
They closed the second restaurant.	M: Our chef was from Mexico and he said to us one day that he's been in the U.S. since he was 15 years old and had never really gone back to be with his family and really wanted to do that.
They arranged management of their flagship restaurant.	F: We presented a plan to one of our key employees and we said this is what we would like to do... well this is what we're <u>going</u> to do. Would you like to take over the running of the restaurant for this time period? And he said yes. So, I got all the cats' papers together, packed up the house, and we left.
They let go of the need to manage day-to-day operations.	I: You mentioned earlier that you like to be in control... how were you overseeing or being involved in the interests of your restaurant back here when you are in France. M: I let go. F: Yes, we both very much did. We had the internet by that point and we had faxes and emails and that sort of thing. But this fellow who was here for that period of time, we felt he could do a good job and was doing a good job, so we just let it go.

Source: Author

Events from individual (increased recognition) and business (commute, employee situation) impacted the decision to leave for a year. However, the decision itself was recalled as having been made quickly and decisively by both partners.

F: I remember exactly where we were – sitting at our house at the boat house here and we were discussing what we were going to do and [my husband] saying well, this is what I'd really like to do. I'd like to go to France. And we discussed making an offer to this fellow who was here and making it worth his while and that's when it was. That's how it happened. When [my husband] makes a decision like that, I was telling him this the other day. When he makes a decision to do something that is quite wonderful I feel no guilt. Because he's made the decision. So in that situation I had no guilt about walking away. We just did it. I mean of course you have.... There's always something...

M: There's dynamics...

F: Wondering what's going on, but...

M: But she makes it work. Financially, she knows whether or not we could do it. I'm sure if we couldn't have done it at that time she would have said something to me – this is not a good time or this or that. Even times that we've been in those times, we still do it.

F: We've made it work.

M: You know when everybody says you shouldn't do that because the timing's not right, we've always not ever listened to that. We just did it. And somehow we... you know like you can't buy that because you don't have enough money, well then we would work harder and make more money.

The couple's answers reflected integration of outside events with personal needs, and trust in each other's abilities during the decision-making process. The husband [who previously characterized himself as more impulsive] made the decision and the wife [the money manager] supported the move financially. The couple expressed assurance that the decision was right for them. In addition, the employee who went to Mexico eventually returned from Mexico and started a new restaurant that included part-ownership.

The couple summed up the purpose of their decision-making.

F: Our history is that we each implement each other's dreams. But from the very beginning it was something that we fell in love with the business as well as being in love with each other and enjoying working and spending all that time together and the vision that we had was to bring something to [the U.S.] that we had experienced in Europe and Italy specifically.

Other couples described similar decisions as joint-contribution from each other's areas of strength, moderated with trust in each other's decision-making style but with an overall "gut feeling" that this is right for them.

[2] F: The way that it worked best for us was that we have very separate areas of responsibility. And therefore we functioned independently in those areas. But when it came to the growth decisions and the investment decisions, we had to agree on that. So, that was the process and to this day that's how it works.

M: And we make our decisions differently. My wife viscerally knows immediately how she feels about something. And I have to sleep on it. I have to think about it. I have to digest...

F: Drives me crazy

M: Yeah, and I have to ask her for her patience while I'm going through the process. And then ultimately these are gut decisions that we make.

Each partner practiced respect for the other's point of view. Compromise was *not* seen as leading to sub-optimal outcomes, but rather was a part of the process of getting to optimal outcomes.

[7] F: Well, I think the factor is the mutual ability to support our differences. And I think that's been great. If I have an idea, he supports that whether he agrees or not and goes along, and eventually they meld.

[9] M: It's not like I'm one of those people that says well I sacrificed this for this side. No, I'm a Covey disciple. It's either Win-Win or No Deal. It's an abundance mentality. So we've always had a commitment of balance.

Couples recognized they were not following normal business practices but did not see the need to do so, although they recognized there may be a down-side.

[3] M: Yeah, we'd talk about the personal and the business side and everything in between and those became really moments for us to focus

on the future.... I think everything was integrated and yet, having said that, that in itself made it seem like it was less important to have weekly and daily business meetings. So, I think that's one of the things that's maybe a lesson from working together and living together is that I think you can get by without having those regular meetings. I guess there's good and there's bad that comes from that. I mean if we weren't living together and married, then I think we would have made it a point to have a Monday morning meeting that was just a business partner to partner meeting and we would have talked about things and we would have probably been more organized.

**[2]** M: We will often make decisions from a feel-good basis as opposed to the financial reward.

The role of bringing in outside advisors was not viewed as integral in business decision-making because of how the couple perceived the uniqueness of their business.

**[4]** M: Our business is so unique as well. We've never really seen a model for it. I remember the last time we did this big remodelling plan. We tried to call somebody in, get some ideas. We wanted something progressive that we wouldn't think of. And what we got was stuff that didn't work for us anyway.

F: We pretty much recreate the wheel for our business. Our business is very unique and there aren't a lot of people who can tell us how to do it because there aren't people who DO it in the same we do it. So, we got to people who try to tell us how to do it. They either want us to do it a different way, or we end up telling them how to do it. You know, it just doesn't work for us.

**[8]** F: Even with our advisory board who has been very helpful to us, they don't have as much intimate knowledge of the business as we do. And frequently they will give us advice that when you start thinking about it more, realistically you know they just didn't know about x, y and z, whereas we do. That's a huge advantage [in our decision-making].

However, consultative decisions-making with their spouse was common.

**[6]** M: Yeah, we went through scenarios.

F: My husband's really good the numbers, so he gave me a chart.

M: I put everything on Excel... and went through all these different scenarios and what it would cost, the bottom line. And we both decided after. I kind of decided [first] and presented it to her and said this is what I think we should do and these are the differences, what do you think? And she agreed, and then we decided the best thing for us to do.

And negotiation and compromise was practiced when necessary to mitigate risk.

[8] F: It was a joint decision. I was leery, and [my husband] convinced me, rightly so.

M: We found our midpoint.

F: Right. It's not that I didn't want to

M: She said let's take the risk, but I want a stop order.

F: Right.

One couple described their day-to-day decision-making as "fluid."

[7] M: You know we certainly don't sit down and talk about it. We just seem to do it. This needs to be done and I'll say OK I'll do that, or she'll say she'll do that

F: And anytime there's a computer thing I scream [laughs]. That's part of our contract...

M: It's pretty fluid. As a matter of fact, it's very fluid.

The majority of copreneurs expressed that once the decision is made, total support is practiced.

[9] M: Once we've discussed it and she supports me, she supports me 110%.

F: There's never any finger-pointing – ever.

Although the decision-making structures varied among enterprises, in most cases, the practice within the enterprise did not. All decisions were made using a format that was consistently followed over time and each couple was able to articulate their decision-making structure with numerous examples.

#### **8.6.4 Stage 4 – Growth: Conflict**

Responses on conflict were most often made in response to a direct question:

*Q6.5: How are individual differences resolved?*

The Theme-Category Analysis uncovered *Theme 8: A minimization of the effects of conflict and crisis*. An exploration of decision-making, including allocation & trade-offs, conflict, and crisis in the growth phase revealed a structure of

interpersonal relations that recognized trade-offs and conflict, but minimized the effects in the stories the couples told. The prevailing trend was that they managed both their relationship and business as equals and conflict was resolved expediently through communication, compromise, reciprocal support for each other's needs, and sometimes with humor.

[1] M: Compromise. A relationship takes a lot of work and I never take it for granted. But if you are not willing to compromise, then get out of it. And most people do.

F: [laughing] Yeah.

M: Get out.

F: Because they can't compromise.

M: Can't compromise. And the other thing I've learned too is that if you have a problem you work it out. I don't believe in divorce. I don't believe in psychiatry. There's a lot of things I don't believe in and I hold true to it. You have a problem and you sit down and work it out. What can we do... that other people can't do? We can work this out. You know we've built seven [businesses].

[7] Interviewer: In that journey, when you're evaluating these opportunities and deciding what you want to do, how are individual differences resolved?

M: There rarely are [differences] because... I have something that I particularly want to do. [She] figures out how she can help me with that. And I do the same for her. If she wants to do something... if we're both interested, great... but if I'm less interested then I see it as my job to help her get her needs met.

[8] Interviewer: How do you resolve individual differences?

M: She wins.

F: [laughing] That's not true...

M: [kidding] Give me an example of when I won?

F: We have artwork in this office. We would not have had artwork in this office if...

M: That was a seven-year-old decision. Give me one that's a little fresher.

F: No, but the concept is [he makes a face and she laughs] that if he can convince me that this is best for the long-term interest of [the business], then it will open up the pocket book. Until that happens, it's pretty closed.

[2] Interviewer: How are individual differences resolved?

M: Aside from having a water fight in our spa? [chuckles]. Sometimes it just boils down to trust. If [my wife] feels absolutely in her gut that she believes this is the path we need to follow, I trust it.... She goes there's a bigger picture, trust me on this. And so I do.



Regarding trade-offs between business and family issues, the day-to-day operational structure was adapted to fit the immediate needs of the family and the specific situation. Based on responses, both genders were involved in creating structures to meet the needs of the family.

**[7]** Interviewer: In regard to [adopting your special needs child] how did you allocate time for her needs between the two of you – because you're running a business and you have a family member who now needs attention? How did that change the time allocation or any other resource allocation?

M: I don't know that it really did. Because whoever was available.

F: Or whoever could best solve the issue.

M: We just did it. It was – sometimes it felt like a crisis – it never really was.

**[2]** F: And this company is in constant need, constant need.... I would arrive at their school plays in the nick of time and I'd see the [she claps] you know the closing. You know, I was there, I was there. And [my husband] would make sure, and we would bring the kids in all the time. I mean they worked here, you know folding boxes, and many times in the earlier years we would be working at the shop until very late and they would... you know this is the story that everyone loves to hear that literally they would be asleep on sacks of flour. But we'd be together. You know, we'd be together.

**[10]** F: I had the best arrangement you could imagine. Back in those days – this would never happen now but – I asked the school that at the close of each school day, will you please just let my child go wherever my child thinks is the appropriate thing for them to do [home, business, babysitter]. And believe it or not they said sure!... and [my children] knew perfectly well what was the appropriate thing to do.

One couple organized their business completely around their children's schedules.

**[6]** M: We were there when our kids took lessons and dance and music, their concerts. Never missed anything. Never missed a game, never missed a concert, or a performance. And, just a blink of an eye, it's all gone. But we were there for every moment. They can never blame us for not being there [laughs].

Another (whose two children now work in the business) shared responsibility.

**[5]** M: But yet, if somebody needs – I mean then again we're the best support group – because if between the four of us somebody needs time

off or somebody's hurt or one of the grandchildren are sick or whatever, they can go. And we cover for em.

On the issue of crisis management, responses indicate that crises were expected and solutions for dealing with them carried an ideological foundation of support that the relationship provided.

[5] M: Well there's always a crisis. I mean...

F: It all depends on the level of crisis. When we moved in here, our builder went bankrupt and left us with a bunch of bills to pay. The bank closed.

M: We moved in on 9/11.

F: And I was getting very stressed out and [my husband] just looked at me and said we can either finish it right now, or it is what it is and we're gonna move on. And as soon as he said that, I just felt better

M:... So we just rolled up our sleeves and said whatever happens happens, but we're gonna forge ahead. You know something always comes through.

NVivo analysis confirmed *Theme 8: A minimization of the effects of conflict and crisis* and revealed one additional prevailing structure of conflict resolution – intentional acquiescence.

[1] M: We've had very few arguments.

F: We have [confirming]. What we have going for us is just being able to talk about things. And really, knowing each other I suppose. And I think that sometimes it breaks down to understanding that for the other person it's more important. The point of view that what [my husband] wants out of this is more important than what I want out of this. So you acquiesce. And then another time it will happen the other way. I mean he says he never says no to me. And for the most part that's quite true.

Throughout ten interviews, there were no answers given reflecting a partner using absolute "veto" power to resolve a conflict. Even in enterprises where partners had separate authority over different functional areas, there was a good-faith attempt to resolve conflict if there was overlap between the two areas.

[8] M: So, on those kinds of things we have to come to a joint decision. But there aren't very many of those that we make joint decisions and we rarely are in conflict.

Although dividing up duties into separate areas of responsibility was a common practice (as previously noted in Section 8.5.4) there was no evidence that this was done to avoid conflict. Rather, duties were divided early on during the start-up phase using a process where each spouse had equal input into selecting areas they wanted to manage. Further, there was no evidence from the interviews that additional policies were implemented over time to resolve conflict. Rather, compromise and consultation were used, and acquiescence was practiced. Additionally, there were no responses that indicated a policy of "no work discussions at home" was implemented in the long term.

[8] M: We used to say no work conversations in the bedroom, and not because we were at it all the time, but we wanted a sanctuary. That went away.

[2] F: You know sometimes we'll be naked in our hot tub, standing on our feet, screaming at each other because of a personnel issue or about an expenditure or whatever.

#### **8.6.5 Stage 4 – Growth: Crisis Management**

Responses on Crisis were most often made in response to a direct question:

*Q5.7: Describe any periods of personal or business crisis and how management of the business or family changed to address the issues.*

As reported in Section 8.6.4 "...responses indicate that crises were expected and solutions for dealing with them carried an ideological foundation of support that the relationship provided." Further, it was noted through NVivo analysis that when couples talked about conflict and crises, they also described the solutions

to those events, often with a positive tone toward getting through the immediate crisis through hard work and a belief in the future.

[8] F: It was a hard year.

M: The fiscal conservatism helped.

F: There was enough cushion that we could cut it out without being destitute, without having to take on a second job, without forcing the kids to go get jobs. We didn't do much savings at the time, for sure, and it was... it was scary just 'cause we were so close to the edge, but it was never desperate.

M: Nothing really changed except we Calvinistically worked harder.

[3] M: I think what I'm prepared for is another year plus of tough times. And of course what we're trying to do is make those times not AS tough by figuring out, are there entrepreneurial things we can be doing?

[5] M: It's like you can crawl into a foetal position, and I think that's what's going on with everybody right now – with this economy. You just can't do it. So we just rolled up our sleeves and said whatever happens happens, but we're gonna forge ahead. You know something always comes through.

One couple had a personal crisis when their second child was born with a hole in her heart requiring frequent hospitalizations.

[9] F: We never left that child. Every day, for five months, one or both of us was with her. Fighting for our lives, every day. Yet, we couldn't not take care of the business. We had employees, plus hospital bills to pay.

M: My wife would meet with vendors out at the hospital. They would bring samples to the hospital.

F: We never left that child alone.

In sum, although couples told stories of personal and business crisis, they were consistently “framed” as a problem with a solution and the overall impression from their style of response was that they coped with each situation as it arose.

[9] M: We were learning every minute, every day – together – in terms of how to survive. If it worked that day, we did it again the next day....

F: We just knew we wouldn't let each other down. And we knew we wouldn't let our customers down.

#### 8.6.6 Stage 4 – Growth: Leadership

Responses on leadership structures were most often made in response to direct questions:

*Q6.4: How do you manage overall strategic leadership responsibilities?*

Regarding the issue of strategic decisions, both partners answered questions articulately and no one partner (male or female) dominated the answers to this section of the Interview Guide. Both were equally knowledgeable on the strategic decisions they had made and their respective input to the decisions. Decisions were primarily made jointly with equal input for the business.

[2] M: I think just as [my wife] said, all the big decisions we make jointly. I think that's always been... we are partners. We are life partners and we are business partners.

[8] I: And overall strategic leadership of the company?  
M: I think that's 50-50.

[3] I: With the new corporation – and this being more your husband's industry, how are strategic decisions made on growth for the new company?  
F: We still have meetings together.

This was not surprising as couples self-identified that they held equal management and ownership of the business prior to inclusion in the sample.

It is interesting to note that in two instances, the wife compelled her husband to make a major decision – one to take a hiatus from their primary business and move to Europe.

[1] M: It was a real eye opener for me where she said to me at one point, "I'm getting a life and you can do it with me or without me." [both laugh]. I remember this, she said, "You have five minutes to make this decision." [both laugh] And that was like, holy Jesus.  
I: And [to wife] what kind of a life were you talking about?  
F: To leave the restaurant.

And the other to change industries and start a new business.

[3] F: And at that time I said, we really need to make a decision, are you a golf course architect or a graphic designer?... He really worked at trying to do both. And it was driving us both crazy. And I finally – I really did say, you need to make a decision.... I made him make a decision.

In two other instances as previously reported, women left the primary company for a period of time to start subsidiary businesses. Although both continued to be involved in strategic decision-making, they left day-to-day leadership in the hands of their spouse or outside managers. Both eventually returned to the business.

Although strategic leadership was acknowledged as equal between the couple, there was some indication that the external (public) view of leadership may not have been the same.

[8] M: As far as how we're positioned as a business, as an attraction, that's 80-20 [note: the husband was the external face of the business]. As far as inwardly we run our business, I think that's 50-50.

[2] M: When we first incorporated, we decided jointly that my wife will be president the first year and then every other year we'll alternate. That has never changed. So, she's still president [laughs].

Or within the company itself [same couple].

[8] I: Do your employees see the two of you as equals?

F: I'm much more in the background.

I: Do employees have it clear on who to ask for approvals based on your respective areas of leadership?

F: Oh yeah.

M: In about 20 minutes they know. Cause the first time they come to me and ask it's like – you're talking to the wrong [partner].

[5] I: Who has overall operational leadership for the business?

F: [My husband]. Cause he knows the schedule. He knows the work load. He knows what the guys are doing in the back in scheduled work. He goes out and meets with the clients once the job is contracted so he knows their schedule and what's coming up.

I: And [to wife], what areas would you say you have leadership responsibility for in the business?

F: Meeting with people and marketing us.

As reported previously, partners sometimes acquiesced on strategic directions – in this instance based on whose name is on the business.

[4] M: We were not always on the same page. I always had my ideas and [my wife] had hers. And usually we'd defer to [her] because her name's on the business and it was her idea in the first place, and she'd had a pretty good sniff of what works and what doesn't. So, that's kind of been the business plan. And also [she] has been somewhat reluctant to expand. Wouldn't you say that [to his wife]?

F: Yep

The Asian/American copreneurs were more traditional in their leadership roles.

[6] M: I'm a hundred percent in the business and we're kind of 50/50 with the house, no maybe about 75/25 with the house. She takes more of a leadership role with the home and with scheduling family and social activities.

It is interesting to note that the female partner did leave the primary business to start her own entrepreneurial company for a period of three years.

Relative to household leadership, responses from other copreneurs indicated more leadership responsibility on the part of the female partner.

[8] I: [to wife] So, you would say you managed the umbrella strategy of the family and what was going on.

F: With his input.

M: Notice that's not my vote.

[3] M: So when it comes to raising [our daughter] and doing all those details, not only is my wife probably better at that and wants to do that, and it's more appropriate because she's raising a daughter and there will be things that I won't be good at no matter what.

Responses indicated a practice of "checks and balances" in decision-making.

[10] F: I'm kind of a steady influence here to his irrational exuberance [laughs].... I think he would say that I am a necessary adjunct to his flights of fancy.

There were no responses that reported confusion among employees as to who leads the company.

#### **8.6.7 Stage 4 – Growth: Outside Managers**

The issue of Outside Managers (employees from outside the family who held management positions) was often referenced by copreneurs when answering questions about Growth. The issue of Outside Managers was not one of the original interview questions.

Seven copreneurs employed managers from outside the family with varying levels of responsibility. None were full-time strategic partners, but rather were assigned management responsibility over functional areas. Table 22 summarizes the type of managers employed.

**Table 22: Managers (from outside family) Employed in the Business**

<b>Case</b>	<b>Manager Detail</b>
1	Home-grown chef who eventually was given part ownership of one of the restaurants – still in place after more than five years.
2	General Manager groomed to take over day-to-day management in place of wife – unsuccessful outcome.
3	Office manager who handled accounting and purchasing – in place until first business sold.
4	Home-grown managing partner who handles day-to-day operations – in place for 15 years.
5	Home-grown shop foreman – in place for 18 years. A general manager hired to manage new growth opportunities left within two years – unsuccessful outcome.
8	Home-grown Senior Vice President – in place for five years.
10	Home-grown CFO – employed for 15 years until company down-sized.

Source: Author

Those who did not rely on outside managers offered reasons related to both the personal relationship and the business.



[3] F: We don't know if it was... I think honestly it was because the two of us were so tight together, we just had a hard time even thinking about really bringing a third person into that...

[4] M: Our business is so unique as well. We've never really seen a model for it....

F: We pretty much recreate the wheel for our business. Our business is very unique and there aren't a lot of people who can tell us how to do it because there aren't people who DO it in the same we do it. So, we got to people who try to tell us how to do it. They either want us to do it a different way, or we end up telling them how to do it. You know, it just doesn't work for us.

In two enterprises, the owners tried outside managers without success.

[5] M: We had a general manager in here. And he was supposed to be able to do everything. They all talk good. And...

F: Almost lost the business

M: Yeah and I mean he was runnin' it right down into the ground. And I tried to give him as much leeway as possible cause I was always told, don't meddle, let someone else do it. But they don't run your business the way you do. So, it was like OK, I didn't have to fire him. He knew I was upset. He was gone.

[2] F: She [the outside manager] made decisions without me that I did not approve of. So we would go nose to nose many times.... She got a little confused as to who was the owner, the ultimate decision-maker. And when she started treating me as I had realized she was treating quite a few other employees, we fired her.

In other cases, outside professional consultants were tried without success.

[4] M: I remember the last time we did this big remodelling plan.... We tried to call somebody in, get some ideas. We wanted something progressive that we wouldn't think of. And what we got was stuff that didn't work for us anyway.

[3] M: What's interesting is that throughout the years there was no one in the professional side that was also equipped to deal with us. I can't remember our accountant or any of the bankers we've had over the years, or financial people, or even attorneys... I can't remember any of them having some concrete advice, liking handing us a sheet of paper or saying, you know I worked for [couples in business] and they had similar issues to you, and here's what I did for them.

The following three nodes on Marriage, Reciprocal and Satisfaction/Success relate to reflective statements made by copreneurs regarding their personal relationship, its effect on the business, and the level of satisfaction/success they have achieved.

## **8.7 STAGE 5 – MATURITY**

Stage 5 included the following analyses factors:

*Theme 10: A high level of satisfaction and fulfilment of business, family and individual goals.*

*Theme 11: A belief in commitment to the greater community.*

*NVivo Nodes: Marriage, Reciprocal Relationship, Success and Satisfaction, Advantages, Community and Communication.*

### **8.7.1 Stage 5 – Maturity: Marriage**

Responses on marriage were most often made in response to direct questions:

*Q8.2: In terms of sustaining your relationship and family, how would you describe your achievement to date (both objective and subjective measures of success)? If there are particular events that define success of the relationship and family, briefly describe them.*

*Q8.5: What business, family, or individual factors do you think have been most responsible for the overall success of your family?*

Statements about marriage often described the level of commitment the couple had reached, with expressions of tenacity or perseverance.

[2] F: I think that same level of commitment. It's just if we're going to do this, we're gonna give it a hundred percent, a hundred and ten, three hundred percent. I come from a divorced home and it's a miracle. It's a miracle that we're still married, that we're still in business, that we're still the best of friends – that you know we've had people working for us for 15, 18 years here. So, tenacity, perseverance, it's who we are. We're not quitters.

[5] F: I make him angry but he still loves me – and vice versa. I mean we've put so much of our personal lives into this that there's no turning

back. You don't just shut the door and walk away. This is our life. This is our life we made together – with each other.

Reasons for their strength of commitment were articulated by couples, although they varied.

[2] M: We really work hard at our relationship, cause it's so easy to quit. It's so easy to give up.... And we really enjoy doing things together. And sometimes I bring here along. And often she brings me along... cause you know inertia is so easy.

[7] F: Well, I think the factor is the mutual ability to support our differences. And I think that's been great. If I have an idea, he supports that whether he agrees or not and goes along, and eventually they meld.

[4] M: We've had our problems but we've seen our way through them and have been willing to communicate, change, work with one another. Go to therapy if it's necessary. Go on vacation. Take time off.

When asked which comes first, the business or the relationship, the majority of couples said it was the relationship.

[4] M: My commitment to [her] absolutely comes first.

[7] M: For me, the primary commitment at this point in life – I think it always has been – was our relationship. As long as that was strong, we could do anything.

F: I agree.

[9] M: Without the relationship, there is no business.

F: Right.

M: We're really in love.

F: I want the best for him. I want him to be happy.

One husband who walked me to the parking lot after the interview told me that if anything ever happened to his wife, he would lock the door and walk away – that without her it didn't mean anything to him.

Comments about the support the relationship provided were common.

[1] M: [She] was always there with me. If she wanted something and I said this is what we gotta do, she'd just dig in. And that made all the

difference to me. It's not just 'I want' – because I know she's willing work alongside. So, that makes it easier to make things happen.

[5] F: I don't know if it's because I've been with [him] for so long. He is that anchor. You know it's always worked out. And it's nice to have somebody to fall back on... And it's a very good support system.

The following sections on Reciprocal and Satisfaction/Success include more responses on marriage and business.

### **8.7.2 Stage 5 – Maturity: Reciprocal Relationships**

The reciprocal relationships between business, family and individual were referenced by copreneurs throughout the interviews. Although not in response to direct questions, copreneurs provided comprehensive insights into how they viewed the intersections of business, family and individual and the outcomes of those interfaces. Section 8.5.5 on Trade-offs and Section 8.4.7 on Working Together has previously examined comments made that impact business, family and individual. This section will focus on comments specifically made regarding recognition of the link between business, family and individual and the reciprocal value of being married and in business together.

The Theme-Category Analysis uncovered *Theme 9: A belief in a positive reciprocal relationship between the business and the personal relationship, particularly in the foundation of trust.* Responses indicate the foundational structure contributing to competitive advantage and family stability was not based on “best business practices” (environmental scanning, research, analysis, planning, implementation, evaluation & control, etc.), but was seen to come from the reciprocal relationship – particularly the closeness, trust and balance it

provides. They also perceived the unification of their family and business goals as a basis for competitive advantage, citing speed in making decisions and a knowing that decisions made by either were in the best interest of both their business and private lives.

[2] M: Because our relationship works, there's that absolute trust that we're working toward a common goal together.

[1] F: I think total trust. I think that's the most important thing. The same goals, total trust. I mean there's nothing like being in the trenches and knowing that there's somebody rootin' for you or working just as hard as you are and...

M: You've got your back covered.

F: Going home at the end of the day and being able to share the accomplishment, too.

[8] F: There's always somebody that you trust that you can bounce ideas off of. Um, even like with our advisory board who has been very helpful to us, they don't have as much intimate knowledge of the business as we do. And frequently they will give us advice that when you start thinking about it more, realistically you know they just didn't know about x, y and z, whereas we do. That's a huge advantage.

M: I think it's the synergy. I think it's the fact that when you have one plus one is three, is how I would say it. Cause you have [her] brain, [my] brain, and then you have [our] brain. And so when we're both working on this, it's like three brains, not two brains. And I think when you don't have a copreneur, you have one brain... I think that is a huge advantage. I also think there is a support structure that's built in. You're not alone. And when [she's] frustrated I'm generally not. And when I'm bummed, she's not. And we tend to balance each other out.

In addition, there was a prevailing belief that as a couple they had a competitive advantage over other types of business partnerships.

[6] M: [T]he business being run by the couple, I think has the strength of two people with the same goals, without necessarily conflicting directions... everything from the business is going to go towards us. Where if you have business partners who are of different families, their families are going to be of ultimate importance and so what's good for one of the partners might not necessarily be the best for the other partner cause they're in it for themselves ultimately.

NVivo analysis confirmed *Theme 9: Belief in a positive, reciprocal relationship between the business and the personal relationship*. Copreneurs recognized the link between business, family and individual.

[8] M: ...I realized that my family, my business and my self were all interconnected, and that they should be interconnected.... And I realized that the better provider I was for my family as an integrity-based business person – that's a better role model as a parent – that will let me be a stronger spouse – that will strengthen my relationship with my kids. So, it's always been very interconnected.

Copreneurs often described the relationship between the business and the personal (marriage) as reciprocally beneficial to both the marriage and the business.

[4] F: I don't think the business would have been as much of a success if it had been just me. And the fact that we have been able to lean on one another. And I think that conversely our marriage has been a success because of the business. I don't think we would still be married if it hadn't been for the business. I think that years ago when we were young and sort of doing our own thing, and both of us very independent, I think we would have grown apart had it not been for the business. So, I think they go back and forth. The business is responsible for our relationship sustaining, partially, over the years, and our relationship and the fact that we both started the business is a huge – I think it's the beginning factor for the success of the business.

[7] M: I think the business connection has been wonderful for our relationship because I'm always excited by how brilliant she is (Ruth laughs) and, in a sense that generates a special kind of intimacy, which has been I think fed back to our relationship. Occasionally when I disagree with her it creates some problems, but we've been able to get through those.

F: And the opportunities, being in the same business... that our personal relationship has received are tremendous. I mean, if we go to work with a company in Rome, we both go, and it's wonderful. Also, it's very clear to me that my career aspirations have been boosted by our relationship in terms of the doors that have been opened and that kind of thing. And I think that's probably vice versa.

M: Yeah, that's absolutely true for me.

[4] M: No, here's the thing. If she's happy, then usually the business is happy. And she gives me the freedom to do my creative things, which is really great. So, also the business has given me that time.

[1] F: I think having had the restaurant certainly hasn't hurt our relationship. I think it's grounded us in a lot of ways and has given us focus.

M: Which is rare though, for restaurateurs.

F: I think for us it's made us closer than we ever could have been. I mean we're together almost 24 hours every day. So, in terms of everything wrapped up into one, it's a very very good thing.

[8] F: I think this has been terrific for our relationship. To start with, I see [my husband] more because we're working together. We have more in common. We have more shared goals. It's fun to work together. I mean yes, there are times when it's hard but... I do think we're a really good team. He's really good, and I make things better.

In one case, the wife expressed that the business was responsible for the longevity of her marriage.

[10] F: Working toward a common goal gives you a life-long commonality, especially since we're both apt to be going in different directions. I'm sure if we didn't have the business we probably wouldn't still be together.

I: Why?

D: Well, whatever work [my husband] had, he would be so devoted to it, he wouldn't exist for me. And since I'm part of it, I'm included in it.

The potential for one area to negatively impact another was described.

[4] I see my life as being all intertwined. I have a very difficult time segmenting my life that way. I think that's just my answer. I don't think I could tell you, gee I see my relationship to my husband more important than the business, more important.... because they're all so linked. If one doesn't go well it affects the others.

[5] M: If the business goes smooth, the personal, our marriage and everything, the family goes smooth. But when one or the other goes a little rough, it affects the other.

[6] M: Doesn't matter if you are working for yourself or if you're not. Being unrealistic and not generating anything from your business, that's gonna affect your home life, which is gonna affect all your family life.

F: And then interconnected to personal life, too.

M: Personal life, too.

F: If you're unhappy.

Harmonizing all three was important.

[8] M: And so we've always said well we've gotta be for family, we've gotta be for business, we've gotta be for ourselves.... If it was good for career, but not good for family, we weren't very interested. If it was good for family but it really was gonna screw up career, not so interested there either. They all had to work in a synergistic fashion.

### 8.7.3 Stage 5 – Maturity: Success and Satisfaction

Responses on Success and Sustainability were most often made in response to direct questions:

*Q8.1 In terms of business sustainability, how would you describe your achievement to date (both objective and subjective measures of success)? If there are particular events that define success of the business, briefly describe them and provide dates.*

*Q8.2 In terms of sustaining your relationship and family, how would you describe your achievement to date (both objective and subjective measures of success)? If there are particular events that define success of the relationship and family, briefly describe them.*

*Q8.3 In terms of your career aspirations, how would you describe your achievement to date (both objective and subjective measures of success)? If there are particular events that define your personal career success, briefly describe them.*

*Q8.4 How would you characterize the relationship among the three?*

*Q8.5 What business, family, or individual factors do you think have been most responsible for the overall success of your business? The success of your family? Your individual success?*

The Theme-Category Analysis uncovered *Theme 10: A high level of satisfaction and fulfilment of business, family and individual goals*. Seven out of 10 businesses were still actively growing; three owners were in or approaching retirement. All expressed satisfaction with their retirement progress before the economic crisis of 2008. In most cases, even though the recent recession had extended their projected retirement date, they expressed the belief that they would achieve their goals. The majority (both male and female) indicated they



had exceeded their individual expectations for career and family and would make the same choice again.

Questions about long-term achievement and satisfaction elicited positive responses in all three areas – business, individual and family – reflecting outcomes that indicated the system-enterprise (even without written business plans and strategies) fulfilled business, family and individual goals over time. In addition, responses reflected the same trend found in the growth stage – dual-gender acknowledgement that the relationship impacted business success and their commitment to working together in business also strengthened their personal relationship.

**[5]** M: I'll be working at this close to 30 years now, but it's to a point where oh, I'm happy with everything. I mean I don't need anything more to prove. I enjoy it now, but it over-exceeded... I never expected this. But one thing leads to another, and that's just what's happened all these years. I mean every door would open.... And we just kept going through every door that opened. And that's how we got here.

M: I have a little piece of paper on my desk for years and years. And it says 'success is easy to measure. All you have to do is look back to where you started.' And personally, I started at ground zero as an individual. And to be where I'm at now. To be a respectable person in the community that people look up to. To have a husband who's proud of me and children who love me. I mean that's, that's on the other side of the spectrum from where I started out.

**[1]** F: I could say that I think we've achieved more than our little dreams ever imagined...I think for us it's made us closer than we ever could have been. I mean we're together almost 24 hours every day. So, in terms of everything wrapped up into one, it's a very very good thing. And I think we've achieved more... we never went into the business for achievement... we went in because we loved it. We wanted to work together. We loved the business. We loved being able to use our background in everything that we do. We never went into it for fame and we didn't go in for fortune. We went in for a living.

**[6]** F: I don't know if I'm giving the right answer. Success is like how well you feel, and actually my husband and I talked about it yesterday. We're pretty happy. That's success right there....

M: Even though you know I've never been money motivated, so I feel I've got way more wealth than I ever dreamed I would have, or ever needed. And so, I have absolutely no regrets. I think we're very successful. We're still standing.... As far as measuring it, I'd say we're in the top 5% of other people doing the same thing that we are... and an objective measure is... number 24, how many years we've been married now.

F: Yeah.

M: And that's quite a feat in itself, I think. You know married 24 years and I don't know about her, but it's better than it ever has been.

NVivo analysis confirmed *Theme 10: A high level of satisfaction and fulfilment of business, family and individual goals*. NVivo analysis revealed more detail in the variety of expressions of satisfaction, both objective and subjective. Although questions were asked about all three areas, responses commonly reflected a satisfaction with “life” rather than individual areas. The notion of a structured “plan” that led to sustainability of the business or marriage was not articulated. This is consistent with the findings in previous sections on Values (Section 8.3.1), Goals (Section 8.4.1) and Reciprocal Relationships (Section 8.7.2) where the integrated nature of the enterprise was evident and structured business and marketing plans were not developed. The notion of “enterprise” rather than *business, family or individual* was apparent in the responses to the questions on Success and Satisfaction.

In addition, although all couples reported that their retirement outlook was good (even with the setbacks of the economic downturn in 2009-2010) they did not cite financial position solely as their objective measure of success or marker for sustainability of the business. This is consistent with the absence of financial goals as the purpose for the business (i.e. none of the couples said they started the business to make money) in Section 8.4.1 (Goals). Rather, comments were

focused on a sense of personal satisfaction with what they had achieved, with financial support for the family enterprise an outcome of their achievement.

Table 23 reflects a variety of responses to the three areas of inquiry (business, family, individual) with factors referenced noted.

**Table 23: Responses on Success and Sustainability**

Referenced: B – Business; F – Family; I – Individual; C – Combined (Life)

Case	Comment	B	F	I	C
1	M: My life is beyond anything I've ever imagined. I don't think there's anything I want....			X	X
	F: I could say that I think we've achieved more than our little dreams ever imagined.... This business has given us, as much as I say I want to have a life, the life that we have had is by no means like the regular person's life, but it's a wonderful... it has been just great, a lovely life.	X		X	X
2	M: I would say that the subjective measure of the success of our business is in direct proportion to the smiles we create on somebody's face. [My wife] also talked about that and that's when we started our company, and that has not changed, I think sometimes to the detriment of the objective income.	X			
3	F: Well, subjectively, what I wrote down here – and that's probably the most important to me... is simply the respect that we have in the community with our clients, our vendors, and ourselves and our friends and our family. We have a great deal of respect. I think a lot of people have a great deal of respect for us and the work that we've done. So, that to me has been a very subjective way to measure the success of our business	X	X	X	
	F: We have a nice house. Our daughter is very healthy and has a great life and we have somewhat of a plan for the future. And we're both still raring to go. It's not like we're tired of what we do.... M: I think [my wife] hit it on the head.... We're still married. [Our daughter] is happy. We have our house and that sort of thing. The way I measure that is, are we still living and having fun and are we able to make ends meet.	X	X	X	X
4	M: Well, for my answer to the question, it's way beyond what I expected. Cause I didn't expect much besides having a business. And the fact that it's give us creative abilities, you know and not kill ourselves with it, and be able to do what we want to do with our time.	X		X	

Case	Comment	B	F	I	C
5	<p>M: Well it, it definitely over-exceeded anything I ever dreamt I could do. I'll be working at this close to 30 years now, but it's to a point where oh I'm happy with everything. I mean I don't need anything more to prove.</p> <p>F: I think it's amazing [laughs] that we're still together, married and still in business together. That's success. I feel fulfilled.... I started at ground zero as an individual. And to be where I'm at now. To be a respectable person in the community that people look up to. To have a husband who's proud of me and children who love me. I mean that's, that's on the other side of the spectrum from where I started out.</p>	X		X	
6	<p>M: Even though you know I've never been money motivated, so I feel I've got way more wealth than I ever dreamed I would have, or ever needed. And so, I have absolutely no regrets. I think we're very successful. We're still standing.... As far as measuring it, I'd say we're in the top 5% of other people doing the same thing that we are....</p> <p>F: Success is like how well you feel, and actually my husband and I talked about it yesterday. We're pretty happy. That's success right there.</p> <p>M: And our total success would have to be, the future looks bright and we'll be able to retire and be financially independent. In relationship to the rest of the world, we're right on track.</p>	X		X	X
7	<p>F: For us personally it's been very successful. If you compare it to family businesses that have candy to sell or broccoli, or something else, um, in the amount of money that's earned, they don't compare.</p>	X			
8	<p>F: We laid out like 10 things that we wanted to accomplish.... And we have accomplished all 10....</p> <p>I: As far sustainability of the original vision, your ideals.</p> <p>M: That has perpetuated well.</p> <p>F: We have done an "A"</p> <p>M: Our culture lives.</p> <p>F: On maintaining our values, upholding our ideals on running this company. We have not done as well in making it an ongoing business.</p>	X		X	
9	<p>F: I can't imagine liking my job more than what I are doing every day. It's been good to me – and I have truly enjoyed all of it.</p> <p>M: I would feel more successful from a career standpoint if I had more financial independence. But I don't really have a basis for saying that. It's [the business] supported the family, bought us a home, and got the kids through school.</p> <p>F: I want the business to provide us with some [additional] security.</p>	X	X	X	

B – Business; F – Family; I – Individual; C – Combined (B, F, I)

Case	Comment	B	F	I	C
10	M: I greatly exceeded all expectations and have been blessed with a great life and a wonderful family. F: I'm very upbeat about how successful it all has been.				X X

B – Business; F – Family; I – Individual; C – Combined (B, F, I)

Source: Author

Table 24 highlights specific reasons given for success of business, family, and individual.

**Table 24: Reasons for Success and Sustainability**

Referenced: B – Business; F – Family; I – Individual

Case	Comment	B	F	I
1	M: Creativity one, I think. Good management.	X		X
2	M: Tenacity. But I would also say forgiveness. I think patience, forgiveness, empathy, encouragement, support.  M: I have the ability to make people feel good. And I feel that I have the ability to inspire people... people I work with. And I feel that I treat people – I hope I treat people – as equals. I never walk in here and go... 'this is my domain and you work for me, either my way or the highway.' And I think that I create a very warm environment, at least I hope to. Professionally I'm always learning.	X		X X
4	F: The business is responsible for our relationship sustaining, partially, over the years, and our relationship and the fact that we both started the business is a huge – I think it's the beginning factor for the success of the business.  M: One of the main things I think is [my wife's] idea of fresh. When the bakery closes, there's nothing left on the shelves. That's the theory. Then customers know it's all gonna be made fresh. And then the idea of service. And I think that's part of what's made the success.  M: And then the other idea that links into our personal life is the willingness to change and to face new things.	X  X	X	  X
5	F: Integrity M: It's been a crowning achievement that we did this, and like I say I owe a lot to my talents that I could make money at it.			X X

Case	Comment	B	F	I
6	M: This is really important – that you're both on the same page.		X	
9	F: We knew that we owe our customers everything. I don't know where we got it, but that belief has kept us in business. M: Respect... that's the key word.... Of each other, our family, our customers.	X		X
10	F: I think my husband is the overwhelming driving force of our business success.	X		X

B – Business; F – Family; I – Individual

Source: Author

Although success factors were articulated in the majority of companies, the interviewer noted that participants tended to talk with more enthusiasm when they answered in terms of the overall enterprise, rather than the business alone.

In multiple cases, couples made reference to 'living their values' as an important foundation for success.

**[8]** M: An effective entrepreneurial organization is a reflection on the souls of the principles. And I think [our company] is very much a reflection of [us].

One couple articulated the links to values and success as intertwined with product and service. This represents the common theme of integration of values, goals and success throughout most interviews.

**[4]** F: Number one, the business has got to make money. So it's really important for me that it makes money. This isn't an art project, even though it is in a way. I'm not willing to be in poverty to run this business. So number one, it's got to make money. But number two, it's got to be a reflection of my values, my aesthetic values and my emotional values. So, in order to sustain those last two, it has to make money to remain open and to remain viable.

M: Well, I'll add to that as far as the reflection of the values. I agree with both things [my wife] said. But on top of that, whenever you hear people talk about it, they just go nuts. People actually thank us for doing that –

thank us for making their lives richer. So to me, that's the sustainability [she] was looking for in terms of keeping it on the cutting edge and making people happy.... And also I think it's a very aesthetic business. It doesn't just make money. There's something really beautiful about it. There's the food. It's very colourful, the décor, the color of the chairs. It's one of those places that has a feeling to it when you go in..... But the thing is the sustainability that I see is keeping the product – the quality of the product – high and the service high. That makes for sustainability as far as I am concerned. So there you go.

Another reflected on their path to success.

[5] F: We never went to college, you know. We took some college courses, but we had no business... I think it comes naturally for [my husband] but we didn't have a business plan or anything. Everything just kind of happened because we were willing to take risks and because we, out of necessity, had to do things. And it wasn't until we moved in this building and started telling people our story that they would look at us and say, 'My God you're living the American dream.' And we never, it never even dawned on me that that's what was happening – that we found ourself luckily in that position. We just did our day-to-day thing until somebody pointed out 'do you realize what you've done, what you've accomplished?' And we just, you know, we're just trying to keep our business going.

#### **8.7.4 Stage 5 – Maturity: Advantages**

Responses on Advantages were most often made in response to direct questions:

*Q8.6: In your view, what advantages do you have over non-copreneurial businesses? Why do you think this is so?*

The most frequent advantage mentioned by couples was the existence of common goals, followed by trust, support and synergy. As previously noted, goals were not written as traditional business goals and objectives. However, couples perceived the commonality of direction as the biggest advantage. Table 25 summarizes the variety of advantages noted in the responses.

**Table 25: Advantages over Non-copreneurial Businesses**

<b>Case</b>	<b>Advantages (in order given in interview)</b>
1	Total trust Same goals You've got your back covered Someone to share the accomplishment
2	Tenacity Positivity Belief in what we are doing Not resting on any laurels Different perspectives to a problem we're dealing with Absolute trust we're working toward a common goal
3	Truly know each other Spending time together Melding the business and the personal together A really complete relationship
4	Support for one another Someone always has an idea, some advice No one person is down at the same time Going through it as a couple adds strength Two people working together on something is better than one
5	Common goal That either one of use has our finger on the heartbeat of this place We both know what's going on Working with your best friend
6	Two people with the same goals without conflicting directions Everything in the business is going toward one family
7	Understanding our clients because we are a family business [they worked with other family businesses] Modelling interpersonal interactions based on our own experience
8	Somebody you can trust and bounce ideas off of Both having intimate knowledge of the business Synergy Built in support structure Balancing out each others moods Having two chairs at the top The fun element that comes from working together
9	Everyone working toward the same career goals Being able to share the burdens and the joy A bond that provides strength in times of stress The support of someone that you totally trust and care about
10	Total commitment Working toward a common goal – life-long commonality

Source: Author

The couples characterized individual entrepreneurs as “lonely” and “isolated” and other non-related partnerships (i.e. two entrepreneurs who are not from the same family) as holding potential conflict because each partner has his/her own family



goals to uphold. One couple noted that an individual entrepreneur who recently went out of business after 30 years had a more difficult time because she said she couldn't burden her husband with her problems when she came home each night.

[9] M: We don't burden each other. We get to discuss it without adding to each other's burden. We share the joy in the same respect. It's just easier to be strong when you have the support of your family.

#### **8.7.5 Stage 5 – Maturity: Community**

Responses on Community were most often made in response to a direct question regarding decision-making.

*Q6.3: Does community come into play at any point?*

Because the responses encompassed a variety of stages – and community is in the external environment – the Community node was placed at the end of the analysis.

The Theme-Category Analysis uncovered *Theme 11: A belief in commitment to the greater community*. An externally-focused trend that emerged was the view that the working relationship was an extension of their personal relationship and their employees were an extension of their family. Community involvement was an extension of the same philosophy, with the majority reporting a responsibility to the community in which they lived, both as employers and philanthropic benefactors. One interesting finding was that eight of 10 couples regularly travelled outside the U.S. Three owned property overseas and two regularly did volunteer work in developing countries. Most indicated their value system extended to the community and its needs, including their customers.

[8] M: We both have always preached and practiced active leadership in our community as, not only the right thing to do – it's the price we pay to breathe the air and live on this earth – but it's the smart thing to do because we have tracked every dollar we have ever billed anyone... 94% of every dollar we've ever billed anyone came because I got a phone call.

[7] M: As you're probably picking up, we're very much about helping people... These [international] crises present themselves and the question is, initially, the question is what can we do to help? We're been very fortunate ourselves and so it's... we need to for our own self well-being, we need to give back. So, we figure out what we can do to help and then over time we find ways to institutionalize it.

[5] F: We'd been doing this for so many years [the business]. I was finding something lacking.... And when I saw that I can make a difference in the community, that gave me fulfilment.... And I always say if you don't step up then you don't have any right to complain. And this way, you get to see it done the way that you would like to have it done. We have grandchildren that live in this community. I want them to know, to have a legacy, you know, that my grandparents were part of this community that's growing here. You know they were an integral part of how this evolved.

NVivo analysis confirmed *Theme 11: A belief in commitment to the greater community* and further clarified the relationship between the copreneurial enterprise and the notion of community. *Community* meant different things to couples. Table 26 summarizes each couples' perspective on community and their level of involvement.

**Table 26: Context and Connection with Community**

Case	Context
1	Community of customers <u>Connection</u> : Started their first business to bring European cooking into their community
2	Employees and customers Those in need in the city in which they lived <u>Connection</u> : Consider themselves a community-based organization. Articulated the value of service to their customers, employees and to those in need in homeless shelters in their state.
3	Clients, vendors, friends, family, neighbourhood <u>Connection</u> : Their success is articulated in terms of the respect they have among the above groups for the work they have done.

Case	Context
4	Population of their city of 10,000 and surrounding areas <u>Connection</u> : Considers their clientele a “huge factor” in their business. Have participated in city politics and awarded community accolades.
5	Population of the city in which they live <u>Connection</u> : Community giving to the arts and other nonprofit organizations. Considers this part of their legacy.
6	Their children’s school and religious community <u>Connection</u> : Donate money but plays a low-key role in activities.
7	The global community <u>Connection</u> : Work with Red Cross disaster relief and leadership academies in foreign countries.
8	Population of the city of 2 million in which they live <u>Connection</u> : Practice active leadership in their community in both civic and religious organizations.
9	Community of customers Population of city of 75,000 in which they live <u>Connection</u> : Consider themselves one of the “matriarchs” of retail business in the town. Participate, donate, support
10	Small rural community in which they live <u>Connection</u> : At one time largest employer; Provide anonymous philanthropic giving to community organizations

Source: Author

All 10 couples articulated the role community plays in their lives and businesses. In addition, nine of out ten couples had ties to the *global* community. In the majority of cases, this was not business-based, although two of the food service businesses regularly travelled to Europe for research for their business and one manufacturer out-sources production in China. Four couples owned real estate in foreign countries and one couple volunteers with leadership academies in Uganda and Sri Lanka.

Although the structure of community involvement varied, all but one couple expressed community involvement as important in their lives.

[2] F: we’ve been a very community-based organization to begin with.... So, that’s a strong part of what I do.... I try to live in gratitude.

[5] F: We have grandchildren that live in this community. I want them to know, to have a legacy, you know, that my grandparents were part of this

community that's growing here. You know they were an integral part of how this evolved.

[8] M: So, we both have always preached and practiced active leadership in our community as, not only the right thing to do – it's the price we pay to breathe the air and live on this earth.

## **8.8 STAGE 6: REGENERATION AND DECLINE**

Stage 6 included the following analyses factors:

*NVivo Nodes: Exit Strategy and Children*

Since none of the businesses were considered to be in decline, Questions from Stage 6 (Regeneration/Decline) elicited responses about only Exit Strategy and Children (Succession).

### **8.8.1 Stage 6: Regeneration and Decline: Exit Strategy**

Responses on Exit Strategy were most often made in response to a direct question:

*Q7.3: Describe your direction for the next 5-10 years (i.e. growth, regeneration, succession, sale, shut-down)?*

A series of question were asked about future plans. As reflected in previous answers, few couples had defined plans, even though retirement was in process or in the near future for nine out of ten. Table 27 summarizes exit strategies (for the couple themselves) after retirement.

[continues on following page]

**Table 27: Status of Exit Strategies in Enterprises**

Case	Exit Strategy
1	No children; No exit strategy
2	Children, but with no interest in succession; No exit strategy
3	One child, but with no interest in succession; No exit strategy
4	One employee with an interest in buying the company 'Our exit strategy is gonna be to die [laughs] I think.'
5	Children. Succession in place. Both already work in business.
6	Children, but with no interest in succession; Business will end when they retire
7	Children, but with no interest in succession; Business will end when they retire.
8	Children (although not yet old enough for succession); Exit strategies in place 'We want [our business] to perpetuate'
9	One child already preparing to take over business. Parents working toward that end.
10	When they die, business dies with them.

Source: Author

Succession was already in place in two businesses and hoped for in a second. Three businesses will cease when the owners retire. Three businesses could be sold to employees, as they are a going concern; however, no plans have yet been developed. In sum, for the majority of businesses, succession and exit strategies also appear to be decisions that will be made in the future in the same organic and opportunistic manner that has dictated the course of other decisions in the history of the business.

### **8.8.2 Stage 6 – Regeneration and Decline: Children**

The role of children (throughout the business) and their place in succession planning was analyzed. Participants described their children's role in the business and current view toward working with them. Table 28 summarizes the status by case.

**Table 28: Summary of Children and their Status within Enterprise**

Case	Children
1	No children
2	Two children, but no interest in running the business
3	One child, but no interest in running the business
4	No children
5	Two daughters; both in managerial roles in the business and preparing for succession. Father started business to pay for their dental braces.
6	Two daughters, but no interest in running the business. Children help clean the office on weekends.
7	Three children – all entrepreneurs, but not interested in joining parents' business.
8	Two sons; one may be interested in joining the business when he gets older.
9	Two children who both work in business; one already planning to succeed parents.
10	Two children, but no interest in running the business.

Source: Author

In responses about their children, in no cases did the couples say they had started the business specifically to hand down to their children. In two cases (at the time of the interview), children were already working in managerial roles in the business and there was an expectation that they would continue after their parents retired.

[5] I: And how did your daughters express an interest, or how did they make that decision to come in full-time, to work in the business.

F: Kickin' and screamin' [we both laugh].

I: Your suggestion to have them come in?

F: Well, out of necessity again. Because we needed them.

In one additional case, one son expressed an interest in working at the business; the other did not.

## **8.9 COMMUNICATION NODES**

One area of interest that was noted in the Field Notes was the communication styles observed between the couples during the interview – both verbal and non-verbal. Couples exhibited attentive listening when each were talking (eye

contact), laughter, touching, and support for each other's answers. In an effort to explore the relationship based on style of communication during the interview, seven additional nodes were created to examine communication during the interviews:

1. Compliments (female complimenting male) (Section 8.9.1)
2. Compliments (male complimenting female) (Section 8.9.2)
3. Humor (Section 8.9.3)
4. Interruptions (Section 8.9.4)
5. Sentence completion (Section 8.9.5)
6. Repeat Answers (Section 8.9.6)
7. Simultaneous answers (Section 8.9.7)

With the exception of Simultaneous Answers, all participants exhibited the communication habits described below *at least once* during the interview. An analysis of each area follows:

[continues on following page]

### 8.9.1 Communication: Compliments (Female to Male)

Wives complimented their husbands during the interview, both for their personal attributes and business skills.

**Table 29: Female-to-Male Compliments**

Case	Quote
1	In terms of business success... nobody works harder than he does and nobody works longer than he does and nobody puts in more than he does.
2	With all due respect, ideas, there's a million of them out there. Making those ideas work profitably, efficiently and consistently is what makes the difference. And that's what he does. He has to make sure that the systems are in place and the QC is in place because I have a million ideas.
3	I was very fortunate to meet him early on because I really think I got a lot of what I am today <u>from</u> him, working with him, and living with him.
4	None noted.
5	It wasn't until I met [my husband] that I had some true anchor in my life and I never thought I was gonna be doing this [owning a successful business].
6	My husband's really good with numbers and he gives me charts [so they can make decisions].
7	If I have an idea, he supports that whether he agrees or not and goes along, and eventually they meld.
8	I think it's how good he is. I think that he just has a lot of talent... and he recognizes my weaknesses in a loving way.
9	I've always felt enough respect for his business decisions to say, "I will follow your lead." He has a better affinity for marketing.
10	I think my husband is the overwhelming driving force of our business. I really do.

Source: Author

The compliments demonstrate a level of respect and recognition of their partners' abilities and attributes.

### 8.9.2 Communication: Compliments (Male to Female)

Husbands complimented their wives during the interview, both for their personal attributes and business skills.



**Table 30: Male-to-Female Compliments**

Case	Quote
1	[not a quote] The husband walked me to my car after the interview and told me that if anything happened to his wife, he would lock the door and walk away because without her, it wouldn't be worth it. She was the reason he was successful and happy.
2	My wife is the visionary of this company.
3	None noted.
4	I think the reason for our success is her attitude of integrity for creating something that people haven't seen before and the freshness, the integrity of the freshness of our product. I think that's one of the things that has led to our success.
5	I'm very proud of my wife and what she's accomplished in all her years. I look up to her... and I'm very proud of my daughters. Thank God they didn't turn out the way I did in my teens.
6	I say you know we really need to cut back on some of the home stuff too and she's been really great at just saying I can do that. [turns to her] You're really good at that.
7	I think the business connection has been wonderful for our relationship because I'm always excited by how brilliant she is (Ruth laughs) and, in a sense that generates a special kind of intimacy, which has been I think fed back to our relationship.
8	...you are <u>smart</u> and you are persistent. You are a bulldog. You will not let go. You will find a way to get it done or you will do a work-around, but you never throw in the towel.
9	It's so amazing to know that she has my back.... She supports me 110 percent.
10	None noted.

Source: Author

The compliments demonstrate a level of respect and recognition of their partners' abilities and attributes.

### **8.9.3 Communication: Humor**

Humor and laughter were prevalent throughout the interviews. As an experienced interviewer, I was not expecting the amount of laughter that I encountered during the interviews. Table 31 is a summary of the number of times laughter was transcribed during each interview.

**Table 31: Laughter Frequency**

<b>Case Number</b>	<b>Female Laughs + Chuckles</b>	<b>Male Laughs + Chuckles</b>
1	$50 + 2 = 52$	$25 + 1 = 26$
2	$5 + 0 = 5$	$9 + 2 = 11$
3	$10 + 1 = 11$	$7 + 3 = 10$
4	$15 + 4 = 19$	$18 + 1 = 19$
5	$28 + 6 = 34$	$11 + 2 = 13$
6	$25 + 3 = 28$	$25 + 8 = 33$
7	$9 + 2 = 11$	$3 + 1 = 4$
8	$52 + 3 = 55$	$13 + 2 = 15$
9	$17 + 4 = 21$	$23 + 3 = 26$
10	Interviewed	Separately
Totals	$211 + 25 = 236$	$134 + 23 = 157$

Source: Author

Women laughed more frequently than men, but more often laughed during their spouse's responses than during their own (no specific breakdown figures).

Couples talked humorously about themselves.

[1] M: I mean we do dopey things too. We go shopping sometimes and say I'm going to be thrifty. We are so stupid. [laughing]

F: And then we'll make a BIG purchase and then we'll go to the supermarket and we'll do something thrifty and then we'll say – we'll amortize it. [both laughing, laughing].

M: We are so stupid sometimes. I laugh at it now but I mean it's.... [laughing]

F But we still do it [both laughing]

M: We still do it [laughing].

F: laughing is good.

[4] I: [to husband] The same question for you – which comes first, the business or the relationship?

M: Well, I want to answer it as long as [my wife] doesn't feel as though she has to play Solitaire while I answer it [both laugh]. She might learn something new.

F: [laughs] Well, he talks longer than I do. I get really bored when he's talking....

M: My commitment to my wife absolutely comes first [laughs]

F: Oh honey, you big poo poo [both laugh]. He just said that to make me feel bad.

Two couples responded about the importance of laughter.

[2] M: We do a lot of laughing and I think that is one of the things that I think has really kind of held us with perspective on things. Things have been so bad sometimes we just [laughing]... we just start laughing. Like what the hell are we gonna do anyway [laughing] so let's just go with it. See what works out.

[5] [in talking about getting through a crisis] You gotta have a sense of humor.

There was an overall "lightness" during the interviews and humor was used genuinely, without a hint of sarcasm. [Note: As an interviewer, I have been complimented in the past about the sense of ease I create during interviews, and perhaps this tone during the interviews came out of that sense of enjoyment I bring to my professional interviews. That said, I did not feel that I was encouraging anything other than serious responses to questions in the way they were posed. Consequently, the use of humor was considered a "natural style" of interaction in the couples' communication.]

#### **8.9.4 Communication: Interruptions**

Participants appeared comfortable interrupting each other during the interviews. At no time did any of the participants ask the other to "let them finish." At no time was any displeasure noted. As with humor, interruptions were considered a "natural style" of interaction in the couple's communication.

[3] F: No, you don't remember. When we met, we were both at the research company. You hadn't been in graphic design...

M: Well, that's true, but it was shortly after that...

F: It was from school. We were both going to school together. We were taking graphic design classes together.

M: But you took them because I suggested that you take them.

F: Yeah, early on.

[5] M: But you know, but in all honesty I don't see myself ever retiring. I see myself doing this till whenever. There's nothing else I know how to do.

But if I could do this on a part-time basis about three days a week or something like that, that would be fine by me. But right now I'm still doin it seven. So....

F: Like the mob, they keep draggin' you back in [she laughs].

M: If I could cut this back in half, to me that would be retirement. But I've been workin' seven days a week on this for so long that...

F: We had a little hiatus there when things were going good. It was fine and I appreciate that chance...

M: But you see a 40-hour work week is a half a week.

F: Yeah, we're never at 40 hours.

### **8.9.5 Communication: Sentence Completion**

Participants completed sentences for each other in an easy manner that indicated a style they probably use regularly in communication.

[6] M: In 87 when I transitioned from working in the other doctors' office to our own office our number of patients doubled.

F: And then tripled within six months.

M: And it just never changed and so we were profitable right away within the first couple of months.

F: But you see I had a C-section and we didn't have insurance...

M: In the three months that we didn't have insurance we conceived a child, so

F: Back then it was like \$15,000

M: We were changing insurances at the time

F: But yeah we made a profit quickly.

[7] M: You know we certainly don't sit down and talk about it. We just seem to do it. This needs to be done and I'll say OK I'll do that, or she'll say she'll do that

F: And anytime there's a computer thing I scream. [laughs] That's part of our contract.

### **8.9.6 Communication: Repeat Answers**

Couples repeated each others' answers regularly during interviews. This appeared to be a natural communication style.

[1] I: So it was...?

M: Day to day.

F: Day to day.

[6] F: Just don't give up.  
M: Yeah, don't give up. [they both laugh]

[7] F: And always together.  
M: And always together.

### 8.9.7 Communication: Simultaneous Answers

Couples sometimes answered the same words simultaneously. This again appeared to be part of their normal communication style [verbatim responses].

[1] I: How long would you say you were in the start-up phase?  
F and M: [laughing and responding simultaneously] We're still there.

[6] I: And what year did you go back to playing?  
M: I went back to playing  
F and M: [simultaneously] Three years ago.

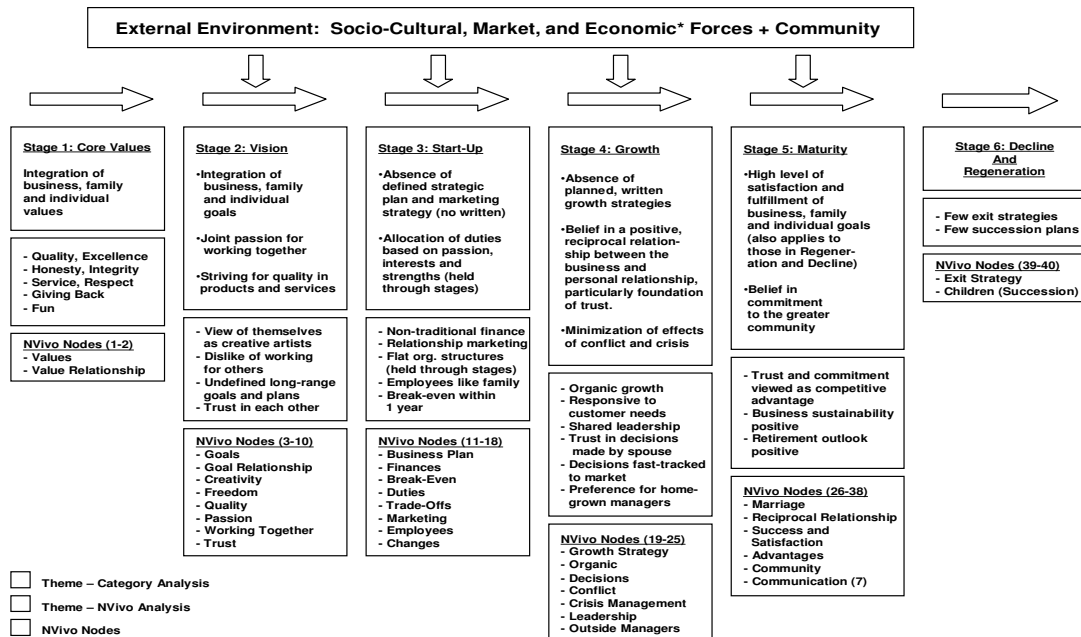
### 8.10 SUMMARY

The detailed analysis using NVivo supported all 11 themes from the Theme-Category Analysis and further clarified the structures copreneurs use in their enterprises. The enhanced analysis through NVivo proved valuable in uncovering subtle distinctions in every stage of the Model. This second analysis was important in charting those distinctions more clearly. The broad analysis points to structures (albeit idiosyncratic ones) that underlie many areas of the enterprise (business, family, individual). These structures, as identified, can be explored more fully and categorized toward understanding how the enterprise is optimized over time.

Chapter 8 has presented 11 Themes, 40 nodes and their analyses. An *Operationalization of the Conceptual Model of the Copreneurial Enterprise*

(Figure 19 – see also Appendix H in color) was developed from both analyses to indicate themes and nodes.

**Figure 19: Operationalization of the Conceptual Model of the Copreneurial Enterprise**



**Appendix H: Operationalization of the Conceptual Model of the Copreneurial Enterprise -- Source: Author (2011)**

Chapter 9 will discuss both analyses and their findings with the aim of identifying the key structures copreneurs develop to optimize the sustainability of their enterprise (business, family, individual).

## Chapter 9: Findings and Discussion

### INTRODUCTION

The purpose of Chapter 9 is to present a discussion of findings from the testing and analysis of the Conceptual Model of the Copreneurial Enterprise presented in Chapter 8. Section 9.1 presents an overview of the findings relative to the literature. Section 9.2 discusses findings relative to Stages 1-6 of the Conceptual Model. Section 9.3 summarizes conclusions to Part 1 of Findings and Discussion based on the model. Section 9.4 extends the discussion of the model relative to the research question. Section 9.5 introduces the Resource-Based View as a relevant theory for copreneurial enterprises. Section 9.6 presents optimizing structures of copreneurial “familiness.” Section 9.7 presents *The Model of Harmonized Copreneurial Enterprise Management*, summarizing new knowledge in the field of copreneurial research.

Understanding the family business system through the development and testing of conceptual models as suggested by Sharma (2004) is an important first-step toward the development of a *theory of the copreneurial firm*. The thesis findings and discussion include two main parts: (1) Findings relative to copreneurial, entrepreneurial and family business literature; and (2) The identification of optimizing structures in answer to the research question: *What optimizing structures are created by copreneurs to achieve sustainability of both the business and the family?*

## 9.1 OVERVIEW OF FINDINGS CONFIRMED IN THE LITERATURE

The literature review (Chapters 3-6) comprises family business, entrepreneurial and copreneurial literature, including family business models. As previously noted in Chapter 2 (Literature Review Process), inclusion of all three related literature fields is essential in understanding the copreneurial *system* (which is a subset of family business systems with components of male and female entrepreneurship). This resulted in a broad view of the literature, a necessary step before developing the Conceptual Model of the Copreneurial Enterprise and compiling the 46 open-ended questions for the in-depth interviews.

For purposes of this Findings and Discussion chapter, comparisons in Part 1 of the chapter are made *primarily* to copreneurial literature. This ensures the discussion focuses within the scope of the research question addressing the study of copreneurs. In research areas where the copreneurial literature is silent, comparisons are made to family business theory (e.g. values, agency theory, and family business models) and entrepreneurship theory (i.e. male/female entrepreneurial vision).

The thesis findings confirm the *copreneurial literature* in a number of general areas. Consistent with the definition of a copreneur (Barnett & Barnett 1988), copreneurial enterprises are based on trust, equality, sharing and intimacy between partners in a 24-hour-a-day business and personal partnership that is *outwardly equal*. The sample was screened for equality in both ownership and management, so the issue of general equality was not surprising. Specific areas



of equality within the business and family will be addressed in more detail in subsequent sections.

General copreneurial trends in the literature were confirmed in the areas of shared vision for copreneurial success (Marshack 1993; Jaffe 1990); intermingling of family and business, including using family finances to strengthen business survivability (Kranendonk 1996; Muske, Fitzgerald & Haynes 2003; Muske et al. 2009); the positive, reciprocal relationship between business and family, with working together strengthening the marriage (Bell 2008; Bjornberg & Coyle-Shapiro 2009; Cox, Moore & Van Auken 1984); prioritization of the marital relationship over the business (Cox, Moore & Van Auken 1984; Nelton 1986); mutual support of each spouse with satisfaction based on success of the other partner (Bjornberg & Coyle-Shapiro 2009; Bryson et al. 1976); respect, close communication, humour and influence important in successfully managing the work-family interface (Nelton 1986; Rosenberg 1991); and equality and trust in decision-making important to both genders (Cole & Johnson 2007; Ponthieu & Caudill 1993).

## **9.2 FINDINGS AND DISCUSSION – THE CONCEPTUAL MODEL**

A selected subset of findings from the *Operationalization of the Conceptual Model of the Copreneurial Enterprise* (Appendix H) are discussed in the thesis at this time – representing findings that extend the copreneurial literature with new knowledge. The findings from the analysis in Chapter 8 are presented following the six stages of the *Conceptual Model of the Copreneurial Enterprise*.

### 9.2.1 CONCEPTUAL MODEL – STAGE 1: VALUES

The copreneurial literature is silent on *articulated* value sets among copreneurs; however, consistent with the family business literature, copreneurial enterprises are value driven (Astrachan 2010; Carlock & Ward 2010; Poza 2010). The values most frequently listed by copreneurs were those associated with work-product (i.e. quality, excellence, good work) and with personal factors (i.e. honesty, truth-telling and integrity), followed by values on the level of inter-personal interaction (i.e. service, respect, giving back, helping people and fun). The hierarchy of values for each couple was not specifically explored through direct questions during the interview; however, frequency of values reported in answers was tabulated across the sample. Values varied among couples; however, the aggregate trend indicates a pattern of hierarchy of value groups (work-product and personal first; inter-personal second). Absent from the responses of copreneurs on core values was mention of “making lots of money” or even “success” (*support our family* was given in one case) even though business values were one of the areas queried.

The sample confirmed the family business as the “external manifestation of the family’s value system” (Leach 2007, p. 4; Zellweger, Eddleston & Kellermanns 2010) with integration of business, individual and family values reported. However, differences were found in the *types* of values and value groups articulated by the copreneur participants. Copreneurial values were more aligned with Schuman, Stutz and Ward’s (2010) list of *non-family* business and professional management values (e.g. creativity, innovation, teamwork, change,

learning, communication) than the authors' list of *family business* values (e.g. curiosity, courage, mutual respect; open-mindedness, humility, empathy).

The integration of values throughout the life of the copreneurial enterprise confirmed that the personal values of the founding family contribute to family firm longevity (Carlock & Ward 2010). However, in comparing family business values with corporate (non-business) values associated with longevity, copreneurs' value systems more closely resembled core values of multinational companies (e.g. teamwork, conscientiousness, communication, innovation, creativity, customer-oriented, flexibility, efficiency, professionalism, entrepreneurship) than personality-based values (i.e. in 100-year-old Finnish family companies – honesty, credibility, obeying the law, respectability, responsibility, flexibility and stress tolerance) (Koiranen 2002).

In addition to the articulated value of “Quality” among copreneurs, a related group of qualities comprising Creativity, Freedom and Trust was found throughout responses from the sample and held meaning among copreneurs over the life of the business. The copreneurial literature is silent on the perception of *values over time*. Quality as a concept was reflected in the interviews in a number of contexts that extend beyond the business product or service, including the desire for a rich, quality inner life or outer professional and personal experience.

Copreneurs described themselves as “artists,” referencing Creativity as important in not only business competence and competitiveness, but also in the context of pursuits outside the business (e.g. the baker who created mosaics for the

company interior and produced cabaret shows; the chef who designed the architecture for each new restaurant; the chiropractor who played jazz on the weekends).

Comments referencing Freedom were similarly offered in the context of both work and personal life (e.g. freedom from having a boss; freedom to travel abroad; freedom to apply creative talents both inside and outside the business; freedom to effect strategic decision-making at every level of the business and family). There was evidence that both qualities existed *before* the start-up stage of the business and continued to influence the business over time.

The broad, rich references to quality, creativity, creative expression and freedom in both the business and personal lives of the copreneurs reflects a distinctive dimension of personality and perspective that bears further exploration as a resource integral to both business and personal success and satisfaction. These values and foundational qualities were reported to infuse the couple's "enterprise" with positive personal outcomes as well as competitive advantage (through in-house development of business projects). The interviews yielded many narratives on creative ventures throughout the history of business, family and individual domains.

The development of Trust over time was perceived by the majority of copreneurs as a source of support as well as competitive advantage, a finding reflected in the literature (Barnett & Barnett 1988; Cole & Johnson 2007). Ascertaining how interpersonal trust was developed and maintained was not explored as this was

beyond the scope of the research. Therefore, no assumptions can be made as to whether participants were trusting from the start, or if trust developed through the relationship over time. However, participants reported *types of trust* – trusting personal intuition; trusting each other's motives; trusting each other's skills and competencies; trusting business acumen in decision-making; trust in leadership; and trust in criticisms (e.g. checks and balances) were indicated throughout all stages in the model – a distinction not reported in the literature.

In sum, Stage 1 of the Model (Core Values) was confirmed in the area of business enterprise based on the values of the founding family, but was *not* confirmed in the area of alignment with family business values reported in the literature. Copreneurial values are more closely aligned with non-family business and multinational-corporate values. This contributes to the literature by suggesting that even though copreneurs prioritize their relationship above their business, they are nevertheless focused on competitive capabilities (i.e. creativity, quality, excellence).

### **9.2.2 CONCEPTUAL MODEL – STAGE 2: VISION**

As referenced by Fletcher (2010), the sub-group of copreneurs includes male-female entrepreneurs who start businesses with varying levels of spousal support. The copreneurial literature reflects the need for shared vision (Jaffe 1990) but is essentially silent on the antecedents of shared vision among copreneurs. Therefore, the literature on individual male/female entrepreneurs is included as a point of comparison.

There was an overall contrast in findings between the couples (male/female) in the sample and research on *individual male/female entrepreneurs* regarding both career and business vision. In the copreneurial enterprise, career satisfiers were not based along gender lines with men preferring status and income satisfiers and women preferring relationship and societal contribution satisfiers (DeMartino & Barbato 2003; Smith 2000). Rather, both copreneurs (male/female) expressed interest in all four areas. Business ownership vision among copreneurs was not based on gender decisions, with women preferring entrepreneurship that allowed flexibility and balance with career and family obligations; and men striving for wealth, with family flexibility least important. Responses indicated that career *and* family *and* business factors were considered in business vision. The one principal motivator that was confirmed relative to *family business literature* was a search for independence, freedom and control over one's destiny (Goffee & Scase 1985; Hisrich & Brush 1986).

When discussing vision, both spouses indicated areas of interest in which they excelled (manufacturing and service) and there were no identifiable perceived performance differences or preferences for industries between the two genders prior to the start of the business (Brush 1992; Rosa, Carter & Hamilton 1996). Access to capital and business clients was not reported as an issue (perhaps due to the dual-gender nature of the business) (Bates 2002).

Consistent with the copreneurial literature, the spousal relationship is the priority in copreneurial enterprises (Bell 2008; Cox, Moore & Van Auken 1984; Nelton 1986). However, responses indicate that *the desire to work together* was the

predominant reason for the business vision. In the majority of cases, the type of business started was secondary. Couples sometimes chose to start a business unrelated to either of their past professions (e.g. the photographer and sculptor/architect who became chefs; the teacher and construction manager who founded a cookie company); or a spouse learned new skill sets relevant to the business (e.g. the painter who became a baker; the homemaker who became a custom cabinetry installer; the artist who founded a magazine) because they wanted to spend their days (and nights) together. A related finding is that a portion of copreneurial spouses would not continue the business if anything happened to their spouse. This is consistent with enmeshment (Kranendonk 1996) but the vision that the business *exists solely as a vehicle for the two entrepreneurs to work together* is not reported elsewhere in the literature.

In sum, Stage 2 of the Model (Vision) was confirmed in the area of prioritization of the relationship over the business, but was *not* confirmed in the area of alignment with the motivation of other male and female entrepreneurs on reasons to start a business and type of business selected. Copreneurs start businesses because they want to work together; and the type of business chosen is aligned with a business they can both agree on, rather than on the past work experience of either copreneur. This extends the literature on the antecedents to copreneurial business venturing.

### **9.2.3 CONCEPTUAL MODEL – STAGE 3 – START-UP**

Stage 3 was characterized by a start-up perspective in line with current family business literature indicating that family businesses are “value-driven, pursue

goals other than financial, rely on networks, foster long-term relationships, and achieve market success by identifying family with brand identity” (Astrachan 2010, p. 7). However, as previously indicated, couples did not follow gender alignment within the literature in type of business started (i.e. women in service and retail; men in manufacturing). As previously noted, this is attributable to the purpose of the business – *to work together*.

Considering the longevity and sustainability of the business enterprises in the sample, two surprising trends emerged from Stage 3 onward in addressing the need for strategic management perspectives in family firms (Chrisman, Chua & Sharma 2005; Sharma, 2004). First, considering the long-term achievements of the businesses in the sample, there was an expectation of business structures and best practices in place that are typically used to ensure growth and sustainability (i.e. business plans, marketing and growth strategies – Dana & Smyrnios 2010). However, there was a marked absence of defined, written business plans, even with business owners who had previous corporate experience. Both partners were not only in agreement that these were non-existent, they were also in agreement that the growth of the business was achieved without business plans or marketing strategies. What they did offer as a response was that the quality of their products and services, together with owner involvement in the delivery of those products and services, led to business growth by virtue of word-of-mouth and relationship marketing. Although the findings were consistent with Fitzgerald and Muske (2002) on the view of the family business as a way of life (rather than a way to earn income), copreneurs reported they had reached highly satisfactory levels of personal, professional and



business success through their efforts, by both subjective and objective standards, including financial well-being (see Section 9.2.5 – Maturity).

Relative to “best practices,” a comparison to the literature (Dana & Smyrnios 2010) indicates copreneurs follow only 11 of 26 best practices on a regular basis (see Appendix B) and two additional practices on an ad hoc (informal) basis. Absent were formal strategic planning, education and marketing, as previously indicated, or succession planning. The finding that the business was started based on quality, owner involvement and relationship marketing from the start – leveraged into long-term success – indicates support for the Resource-Based View (Habbershon, Williams & MacMillan 2006), a theory that will be discussed in Section 9.5.

The second surprising trend was the finding that the intuitive allocation of duties based on passion, interests and strengths held with little modification from Stage 3 (Start-Up) through to the present. Division of duties was expected during start-up, consistent with the copreneurial literature that suggests separate domains of influence (Bjornberg & Coyle-Shapiro 2009; Jaffe 1990; Marshack 1994; Millman & Martin 2007; Smith 2000; Wicker & Burley 1991). Duties were divided based on task-ability (vs. gender) as recommended by Marshack (1994). There was no hierarchy of business position based on gender (e.g. men as executives and women as administrators) or “need” for women to have boundaries as reported by Laurence (1990 – although one of the limitations of the author’s study on leadership was that it was conducted among families in a conservative church community where gender roles were more traditional). This finding is consistent

with Kanter's (1977, p. 69) admonition that "traditional assumptions about women's work and family roles have acted as blindfolds, preventing researchers from seeing some major distinctions that were more easily made in the case of working men" and contradicts the literature summarized by Ahl (2006) that women entrepreneurs are less entrepreneurial than men.

Although duties were most often clearly divided, the process was based at the outset on interest and equality of choice, not as a conflict-resolution technique as proposed by Marshack (1994). For example, women managed finances (allocation and reporting) because they were perceived as the better financial manager, not because the job was delegated by an executive husband (Laurence 1990). In most cases, the couple continued not only to execute *the same responsibilities* as established during start-up, but also maintained a flat organizational structure over time, with few intermediate levels of authority throughout the life of the business. Owner/Manager responsibilities were divided with equal input from husband and wife, a practice that has held through the life of the business.

The most important finding in Stage 3 – that continued throughout the life of the business – was a lack of boundaries between work and home domains (with a large work-family interface) to the extent of almost complete integration (overlap) of one with the other. This is consistent with Barnett and Barnett (1988, p. 200) who found "for most copreneurs, there are no boundaries between work and home or work and pleasure" but is inconsistent with other research that suggests the domains be kept separate to reduce conflict and minimize negative reciprocal

impact on the business or the relationship (Foley & Powell 1997; Helmle 2010; Laurence 1990; Marshack 1994; Nelton 1986; Rosenberg 1991; Smith 2000; Wicker & Burley 1991).

Numerous stories emerged from the sample indicating the existence of “one life” (incorporating business, family, and individual) with synergistic and harmonious decision-making among the three spheres. Boundaries between work and home were not clearly delineated and the work-family interface was not perceived as strongly defined, leading to a possible outcome that conflict in the work-family interface was minimized (see Stage 4 - Growth). This is not necessarily inconsistent with models of work-family interface, particularly the Sustainable Family Business Model (Stafford et al. 1999), which allows for varying levels of integration. However, the “highly integrated” level of work-family domains and lack of boundaries was consistent among the majority of couples in the sample and impacted Stages 3-6, particularly in the areas of trade-offs and decision-making on growth issues.

On the domain issue of division of household duties (Foley & Powell 1997; Jaffe 1990; Kranendonk 1996; Laurence 1990; Marshack 1994; Millman & Martin 2007; Rosenberg 1991; Smith 2000; Thompson & Thompson 2000) female copreneurial spouses reported a greater decision-making role in the home domain (and would have designated as “household manager” over “business manager” as participants in the National Family Business Surveys (1997, 2000), consistent with the literature). However, there was flexibility in duties, with men and women indicating that often whoever was available helped with home responsibilities.

This contrasts with the business domain where both copreneurs considered themselves *equal* decision-makers, with a division of responsibility *and* authority. Couples reported a level of trust that decisions would be made by either spouse for the good of the enterprise (both business and family) in *both* business and household domains. There was no relegation of the female spouse to leadership only in the household domain. There was one exception: In one couple comprising an American husband and an Asian wife, the female copreneur – who reported a highly traditional gender role in the running of the home – at one point left day-to-day operations of the primary business to start a second business start-up as an independent entrepreneur. She returned three years later because she considered the family out of balance. This was the only example given out of 10 interviews of an instance where a female owner changed a career track due to family issues.

The majority finding – that allocations and trade-offs with the business were not made by the female spouse in favor of the household – is consistent with the empirical findings of Jennings, Hughes & Jennings (2010) who refuted the work of Jennings & McDougald (2007) initially proposing that women would respond to conflict in the work-family interface with strategies that included retreating from the business to deal with family issues. Although one female spouse did retreat (in the American/Asian couple) it was an isolated incident. The same female spouse is considering leaving again to start a third business as her children are older and do not require the same level of care. Conflict and crisis will be discussed in more detail in Section 9.2.4.

Couples maintained a preference for talking about work in the family domain consistent with Helmle (2010), Barnett and Barnett (1988) and Epstein (1971) who concluded that working partnerships offer many structural opportunities for a successful combination of work and family life.

In sum, Stage 3 of the Model (Start-Up) was partially confirmed in that the business had goals other than financial, and duties were divided based on interests rather than gender lines. However, the minimal use of best practices; the lack of defined work-family interface; and the division of duties based *more strongly* on sustained interests than on a perceived need for avoiding conflict reduction (i.e. a preventative measure) are not reflected in the copreneurial literature. It is difficult to ascertain whether this “boundary-less” perspective developed over time through work-life negotiation practices, or if it was inherent in the personalities of the couples before the business began (e.g. based on their reported need for freedom and creativity). The numerous narratives reflecting organic, serendipitous management decisions throughout the stages of business development support that it was there from the start. These “chicken-and-egg” issues would be appropriate for follow-up research. Relative to start-up, the copreneurs in the sample started *and continued to manage* their businesses in an idiosyncratic manner throughout the life of the business. The findings in Stage 3 confirm these copreneurs establish and manage their businesses in idiosyncratic ways. “How” they grow their enterprises toward sustainability is discussed in more detail in the next section.

#### **9.2.4 CONCEPTUAL MODEL – STAGE 4 – GROWTH**

Growth responses indicated an enterprise structure of decision-making based not on written or researched strategies, but on a foundation of gender equality and familial harmony including: (1) reciprocal support for each other's dreams; (2) mutual respect for decision-making; (3) positive belief in the synergy of the business/personal relationship; and (4) trust that both partners are working toward the good of the enterprise.

##### *Growth Findings Relative to the Literature*

The literature reflects copreneurial relationships are based on mutual support (Bryson et al. 1976); respect (Nelton 1986); decision-making equality (Barnett & Barnett 1988; Ponthieu & Caudill 1993); social and communal capital (Bjornberg & Coyle-Shapiro 2009); synergy (Barnett & Barnett 1988); and resilience in times of change (Danes et al. 2002) including the ability to continue to work together post-divorce if business trust remains intact (Cole & Johnson 2007). However, the majority of the copreneurial literature is based on “one-off” studies, without follow-up confirmation – commensurate with the “hodge-podge” of samples described by Sharma (2004). As previously noted, the research “streams” reflected in the greater family business literature (e.g. agency theory; Resource-based View; strategic management) have not emerged in copreneurial literature.

One exception is found in the literature – a comprehensive research lineage based on the National Family Business Survey (NFBS) 1997/2000 and subsequent published articles (Danes & Olson 2003; Fitzgerald & Muske 2002; Muske & Fitzgerald 2006; Muske, Fitzgerald & Haynes 2003; Muske, Fitzgerald &

Kim 2002; Muske et al. 2009; Welk, Fitzgerald & Muske 2011). This group of authors represent the most prominent stream in the copreneurial literature to date. As previously noted, the authors' focus on copreneurs was an important factor in gaining attention for copreneurs as a subset of family business with research interest and value. Relative to this thesis, the quantitative research findings in the set of research studies based on the NFBS primarily compare copreneurs with noncopreneurs on type of business, intermingling of resources, and success factors. The demographic data in the afore-mentioned studies reflect a wealth of information about copreneurs in relationship to other family businesses, but less about how they use resources and processes throughout the long-term development stages of their enterprises.

Conversely (as previously noted), the internal research stream that developed early in the literature via sociologists and psychologists (including family therapists) was primarily focused on the *marital relationship* (Bell 2008; Bryson et al. 1976; Cole & Johnson 2007; Epstein 1971; Jaffe 1990; Marshack 1994; Nelton 1986; Rosenberg 1991) with scant focus on the growth of the copreneurial business itself. This has been previously discussed in Chapter 5 as a gap in both family business and copreneurial literature. As previously noted, most of the research was single-issue without inclusion of business performance factors.

Consequently, the following discussion of the growth stage is neither focused on comparisons between copreneurs and noncopreneurs (which is beyond the scope of this thesis) NOR the marital relationship itself (which is beyond the scope of this thesis). Rather, the discussion on growth is focused on the use of

resources within the business, including allocation, trade-offs, and decision-making processes in keeping with the theoretical underpinnings of the *Conceptual Model of the Copreneurial Enterprise* (Jensen & Meckling 1976; Habbershon, Williams & MacMillan 2006; Muske & Fitzgerald 2006; Stafford et al. 1999). There is scant copreneurial literature on this issue. Millman and Martin (2007) found that women with overall strategic management of both business and household achieved a successful balance between work and family, to the satisfaction of their spouses, but competitive advantage toward sustainability was not explored.

### *System Growth Processes*

Within the sample, growth is characterized as a function of equality in decision-making, enterprise synergy, opportunism, and spousal checks and balances. The predominant practice is recognizing opportunities (i.e. open doors) and walking through them. Although several couples expressed they probably “should have” done some early marketing, none reported the lack of formal marketing strategies resulted in unsatisfactory levels of growth. Rather, the majority expressed satisfaction with the level and rate of growth, and reported that it exceeded expectations. The following sections summarize processes within the growth phase including: Decision-making; leadership; conflict and crisis management; and non-family management.



### *Decision-Making for Growth*

Instead of written plans, Stage 4 (Growth) was primarily characterized by a foundation of trust in each other's decision-making, a minimization of conflict and crisis, and a characterization that there was a positive reciprocal effect of the relationship on the business (and vice versa). This reciprocal relationship has been noted in the literature (Cox, Moore & Van Auken 1984; Danes & Olson 2003; Muske, Fitzgerald & Haynes, 2003). But relative to this thesis, numerous success narratives describing holistic and harmonious decision-making that embraced (rather than negotiated) interfaces among business, family and individual were evident throughout the interviews and formed the secure foundation for growth of the business. This appears to be an extension of the same philosophy of equality employed by the couples in the start-up stage. The finding is in partial contrast to Ponthieu & Caudill (1993) who report that male copreneurs are more likely to make solo decisions (vs. females who make decisions after consultation). The trend was not apparent among the sample, with both spouses making decisions unilaterally (in areas of authority) and collaboratively (in areas of shared interest).

The previously noted core values of Quality and Excellence were a driving force, with close attention to the needs of customers, employees, competition, and the couples' own career desires and relationship balance. A memorable story reflecting integrated decision-making was the couple who needed to refresh their relationship after a gruelling tour as award-winning chefs, and consequently moved to France, turning over their initial restaurant business to an employee (who eventually was given a small equity position in their 8<sup>th</sup> restaurant). The

hiatus produced the first of three award-winning cookbooks and new ideas for their existing restaurants – increasing competitiveness and customer satisfaction. The motivation for the move was a statement from the wife that, “We have to get a life!” She humorously added that she enticed her husband to go with her by promising to buy him a television (reported in the original interview transcript).

### *Leadership*

Even through economic downturns (1980-82; 1990-91; 2007-10) and growth of both the business and family, there were few changes in strategic leadership structures. When changes were necessary, patterns of inclusion led to resilience, consistent with the literature (Danes et al. 2002). Couples reported making major decisions both jointly and individually (e.g. when one partner felt strongly about the issue and sustained the vision for both partners in initial stages). Although responses indicate differences in strategic leadership from couple to couple, as with decision-making, the prevailing picture is one of partners who demonstrate internal equality in their strategic leadership. Responses indicate they have developed a system of checks and balances (that differ from one couple to the next) but have the effect of ensuring equal input into the leadership for the enterprise (business and family). No “veto” of each other’s decisions or undercutting of areas of authority was reported.

### *Marketing for Growth*

During growth periods, the absence of defined marketing strategies did not reflect a lack of focus on market research. Customers’ needs were often described as the source of new marketing directions (e.g. gluten-free foods based on owners’

conversations with customers) through direct conversations with clients. The reported closeness the couples maintained with their customers and employees (through flat organizational structures) were reported as a source of inspiration for new products and locations. However, as reflected in Chapter 8, there were numerous stories about organic, spontaneous decision-making toward growth. Notable were the couple who noticed a vacant storefront during a Sunday drive and within an hour decided to make it the site of their next restaurant with a \$50,000 budget for start-up. They indicated they had not discussed opening another location until that day. A second business facing an employee shortage as a result of new immigration legislation solved a potential workforce problem (and created a new marketing campaign ) when a casual brainstorm led to hiring grandparents for their busy Christmas baking season. Numerous other growth decisions made intuitively and spontaneously are documented in Chapter 8 – Analysis.

### *Conflict and Crisis Management*

Based on the family business and copreneurial literature on conflict, it was anticipated by the researcher that responses to questions on conflict during growth phases would reveal stressful dilemmas and conflict between work and family (the work-family interface) or between individual and enterprise goals, as that was an area of much discussion in the family business literature, as previously discussed. Danes et al. (1999) found that family health impacted business tensions, specifically unfair work loads, competition for resources, failure to resolve business conflicts and role confusion. However, this was not supported by the analysis. Danes and Olson (2003) found having a second

spouse work in the business impacts inclusion tension, affecting business and family success outcomes. This was not supported by the analysis. One possible reason is that Olson et al. (1999) and Danes and Olson (2003) used data sets from samples that included both full-time and part-time copreneurs; with varying degrees of ownership and management inclusion. This contrasts with the copreneurs in the thesis sample, who worked full-time with an acknowledged equal ownership and management structure. The majority of couples in the sample described a bond where divorce and failure were not in their vocabulary. It brings to mind the strategy of embarking on a campaign to a foreign land and burning the boats after disembarking. This is an issue that may be appropriate for future study – comparing full-time copreneurs with part-time copreneurs on factors of commitment, inclusion and equality.

Responses on conflict and crisis did not reflect negative trade-offs or dilemmas that impacted business performance and relationship security. Nor did women retreat toward traditional household roles, leaving the business domain when conflict arose in the family domain (Jennings & McDougald 2007) with expressions of resentment at the inequity in domestic chores (Smith 2000). Rather, conflict was considered a normal part of family and business life, with resolutions seen as creating proactive outcomes for the benefit of the enterprise. This is a “partial” challenge to the literature, which proposes an area of conflict and disruptions in the work-family interface that needs to be managed toward sustainability (Marshack 1994; Stafford et al. 1999) and the need to negotiate tension to achieve work-family balance (Helmle 2010). Conflict and crises was reported; the departure from the literature is in the minimization of the impact of

conflict and crisis, evidenced by stories that focus more on “resolutions” than “problems.”

Two notable examples were the couple who moved into a new, expensive custom cabinetry manufacturing facility on September 11, 2001, and on the same day learned that their builder had gone bankrupt, leaving them with bills to pay, and their bank had closed. Their resolution was a short exchange in which the husband suggested they either stop right then and fold the business, or go forward. They went forward through both the financial and market changes that ensued and continue today as a viable family business with two adult daughters working toward succession.

In a second case, a couple’s second child was born with a hole in her heart. The husband and wife shared responsibility for her care, remarking that over five months in the hospital, their child was never left alone. Neither was the business compromised. They worked it out, meeting with sales representative in the hospital waiting room if needed – and continuing to meet the needs of their family and their customers. A third couple adopted a special needs child. When asked how that impacted their business, they replied that whoever was available handled the situation. They remarked that although it sometimes felt like a crisis, it never really was. Whether this perspective is the result of mature couples with a mature, successful businesses looking back on the past with positive reflection is unknown. Field notes from the interviews reflect that the couples appeared to answer questions honestly and directly, without embellishment of either the struggles or the successes.

### *Non-family Management*

As previously noted, agency costs were low, with flat organizational structures. In two companies, general managers were hired from outside the company during the growth stage, with an eye toward professional management of sustained growth. However, the arrangement was not productive and within a few years, the owners went back to the original management structure. In both cases, the copreneurs indicated problems arose that impacted performance; in one case the owner said the general manager almost “lost the business.” Three other companies groomed executives for upper management positions. In two cases, a small equity position was given to the employees who stayed. In a third case, the employee eventually left the business. There was a prevailing attitude that the couple’s vision was so strong that outside managers and consultants were only successful if they could adopt the same values and vision. In the successful cases, this was accomplished through home-grown managers where the couple still maintained strategic leadership and the manager had responsibility for functional areas of the business. The copreneurial literature is silent on agency theory. However, regarding outside managers, copreneurs who promoted or hired executive managers who were then perceived as “stewards” of the company (Davis et al. 1997) lasted and those who were perceived as “individualist, opportunistic and self-serving” did not (Astrachan 2010, p. 22). Furthermore, as Poza (2010) notes, culture is difficult to change; and may impact the success of non-family managers who try to effect change within the intimate business-marriage relationship culture of the copreneurial enterprise. The findings clarify the literature on relationships between copreneurs and outside managers.

### *Reciprocal Relationships*

The reciprocal nature and structure of the three elements of the enterprise (business, family and individual, including the marriage) were recognized by the couples, with detailed responses on how the three interacted to achieve successful outcomes. The need for – and creation of – balance and harmony was recognized; however, decisions made with consideration of single domains also had a positive effect on the business. An example is the wife who wanted individual fulfilment through authoring a book on Service and embarked on an extended speaking tour. The individual goal required the couple to promote an existing employee to General Manager to handle daily operational responsibilities the wife previously held. Her spouse remarked that when she did return, she brought back a greater understanding of the service function into their business, which led to new market opportunities. The majority of couples indicated that the business relationship enhanced their marriage relationship and vice versa, consistent with the literature (Bell 2008; Bjornberg & Coyle-Shapiro 2009; Cox, Moore & Van Auken 1984). One husband said through working with his wife, he is always amazed at how brilliant she is. Another credited his wife as the driving force behind the strategic management of the business, a perspective recognized by Millman and Martin (2007) as conducive to successful balance.

In sum, the model was partially confirmed in Stage 4 (Growth), with parallels based on the hodge-podge of samples from the copreneurial literature. However, the depth of responses in the sample merited additional detail in the findings and discussion. Best practices relative to classic strategic planning, marketing and growth strategies were not apparent (Dana & Smyrnios 2010), with the use of

non-family managers problematic. The model was not confirmed in the area of conflict and crisis management – with minimization of disruptions in the work-family interface reported. As previously noted in Stage 3 – Start-Up, this may be due to the high integration of business and family domains in the copreneurial enterprise. Finally, reciprocal value was described when decisions harmonized the three domains (business, family, individual), leading to opportunities for growth and personal satisfaction. The findings extend the understanding of how growth decisions are made in copreneurial enterprises, with the interactiveness of creativity, equality, respect, trust, opportunistic thinking and checks and balances, coupled with close connection with customers, creating a foundation for future growth while maintaining survivability of business and marriage and movement toward personal fulfillment during growth stages.

#### **9.2.5 CONCEPTUAL MODEL STAGE 5 – MATURITY**

Stage 5 (Maturity) was characterized by high levels of perceived satisfaction in all three areas (business, family, individual), with community involvement an added area of self-satisfaction. Early in the data collection period, positive responses regarding both business and relationship satisfaction offered by the couples (in the first three interviews) was of sufficient interest that a review of the interview questions was conducted to ensure they could elicit answers that could be either positive OR negative. The need to approach the interviews with a “clear lens” – neither looking for conflict and crisis, nor avoiding it – was intentional in the style of the interview questions. Based on the second review, one additional specific question was incorporated, asking which was the priority commitment – the business or the relationship? As noted in the findings, the majority indicated it



was the relationship. At that point, it appeared that the answers were pointing to the business as an extension of the relationship – with a reciprocal strengthening of both toward long-term wealth-creation and relationship longevity. Consequently, the positive satisfaction outcomes reported in Stages 5 and 6 (Maturity/Regeneration/Decline) are deemed genuine.

During the interviews, it was apparent that the couples enjoyed working together. The predominant finding was one of contentment and fulfilment through the joint development, joint ownership, and joint management structure of the business, with positive financial outcomes for the family. The marriage relationship was valued, nurtured and considered a support structure for both personal and business arenas. In all 10 enterprises, the marriage commitment was considered integral to the success of the business. The reciprocal nature of relationship and business is consistent with the copreneurial literature (Epstein 1971; Bryson et al. 1976; Cox, Moore & Van Auken 1984; Barnett & Barnett 1988; Bell 2008). The high levels of long-term satisfaction and success are not reported in the copreneurial literature, as no long-term system studies have yet been reported.

Throughout the interviews, responses indicated that success was holistically based on the total enterprise (business, family, individual) rather than solely on the business. This is consistent with Fitzgerald & Muske's (2002) finding that copreneurs view business as a way of life, rather than a way to earn income. Among the sample, financial rewards from the business were also noted, with couples universally indicating their vision for their lives had been exceeded. There was no evidence that financial outcomes were unsatisfactory.

Reciprocal relationships (e.g. interactiveness) among the domains were reported, including (1) working together as the motivation for starting the business; (2) growth for the good of the “whole”; (3) decision-making that harmonized business, family and individual goals; and (4) the reciprocal value of business and relationship, with relationship coming first in the majority of cases. Responses on success and satisfaction credited integrated thinking as important in sustaining the business and the relationship. Synergy was described as a foundational outcome of the balanced, inclusive approach.

Responses indicated not only value in the support each gave to the other, but the trust and commitment toward common goals. A sense of “equality” in goals and support was evident in the answers. One did not rely on the other as the “advantage-maker.” Rather, it was the strength of two – with common goals, common knowledge, joint support and common input into decision-making that was seen as the foundation of advantage and success, as well as the antecedents to synergy. This theme was repeated throughout the interviews – that the structure which provided advantage and success was the unity of two equal individuals working together to effect those results.

One additional measure of success was through community involvement. The structure of community involvement was integrated at various levels in their business, family and individual arenas and included both the communities in which they lived *and* the greater global community for the majority of couples. Community involvement among mature businesses has recently researched by Welk, Fitzgerald & Muske (2011) with longevity of the business and marital status

positive predictors of community support. The majority of couples reported active involvement in the community, consistent with the literature, and viewed community involvement as a relationship marketing strategy.

In sum, the Maturity Stage was characterized by high levels of satisfaction for business, family and individual domains, with self-fulfilment, business viability and family retirement goals secure. The copreneurial literature is silent on *long-term* satisfaction and success of business, family and individual domains; however, responses indicated that success was a function of individual self-fulfilment, *and* family security *and* business longevity, and that all three had been achieved. This included financial outcomes – an area not reported widely in the copreneurial literature – where enterprises are often characterized as a marriage relationship with a business that is focused on a lifestyle (vs. wealth creation). Although not all couples provided financial histories, all reported they felt secure about the future, even with the economic downturn. Numerous stories are offered in Chapter 8 about subjective and objective markers of success with the majority of couples stating their expectations for their enterprise was exceeded, both in economic and non-economic terms. All businesses continued to be viable, with projections that they would continue to support their individual and family needs into the future. These findings further clarify the literature on how the interactiveness among the business, family and individual domains support sustainability of all three. Over time, all three domains were strengthened through commitment to the whole. Although financial outcomes were not explored in detail, there was evidence that financial security for retirement was an outcome of the enterprise.

#### **9.2.6 CONCEPTUAL MODEL STAGE 6: REGENERATION AND DECLINE**

Two of the ten couples were approaching retirement, one couple was semi-retired, and seven were still active in business together. The recession had impacted both business and personal arenas to some extent for all the couples, yet none seemed to dwell on it. The economic downturn was expected to affect retirement planning, but not in the long-term. In one case (the semi-retired couple), the business was at Stage 6 (Decline) due to the proliferation of on-line sales in the same industry, but the female partner (who was in the early stages of retirement from the business) stated that it was there to support the career needs of her husband for as long as he wanted to pursue it. Since the interview, this business has moved into Regeneration through new competitive advantages gained through production of products in China.

The prevailing attitude of the copreneurs who had children was that succession was not planned for in the initial stages of the business, but had developed organically toward inclusion of the next generation in two cases. The copreneurs were clear that they started the business because of their own vision and their desire to work together. For the two couples whose children are working in the business, economic conditions necessitated the inclusion. The children started working part-time by answering phones, cleaning the office, or helping to stock shelves. As adults, they are characterized as diligent workers who are reaping benefits, including the flexibility that working in a family business has given them with their own family responsibilities.

The copreneurial literature is silent on succession and exit strategies, although the issue is considered in the family business literature as important “best practices” (Dana & Smyrnios 2010), with involvement of successors in the planning process a valuable bridging strategy (Mazzola, Marchisio & Astrachan 2008) and development of the next generation through education toward successful leadership recommended (Dana & Smyrnios 2010). Defined exit strategies and succession plans were not in place in most copreneurial enterprises. In more than half the enterprises, the prevailing attitude was that the business would die with the founders. In the two enterprises where succession was already in process with adult children working in the business, it was not the result of planning, but rather an organic outgrowth of the needs of the growing business. Although intergenerational succession was not a primary topic in the thesis, the analysis clarifies the intentions of the owners at the inception of the business; in the majority of cases, succession was not a planned outcome.

### **9.3 CONCLUSIONS TO PART 1 OF FINDINGS AND DISCUSSION CHAPTER**

Based on the Conceptual Model of the Copreneurial Enterprise, full-time, first-generation copreneurs are clearly a typology within the field of family business that diverges from the current findings in family business, entrepreneurial and copreneurial literature and as such are a distinctive subgroup. Table 32 highlights stages of the model where literature is not confirmed.

[continues on following page]

**Table 32: Stages of the Conceptual Model with Findings Confirmed (not confirmed)**

Stage	Model Findings Relative to Literature	Factors Identified
Stage 1 - Values	1. Confirmed	1. Business based on values of founding owners
	2. Not Confirmed	2. Primarily non-family business values present
Stage 2 - Vision	3. Confirmed	3. Prioritization of the relationship over the business
	4. Not Confirmed	4. Motivation for establishment of business – <i>to work together</i>
Stage 3 – Start-Up	5. Not Confirmed	5. Highly integrated work-family domains
	6. Not Confirmed	6. Division of duties based on equality
Stage 4 - Growth	7. Not Confirmed	7. Decision-making processes based on equality, opportunism and spousal checks and balances.
	8. Not Confirmed	8. Conflict and crisis minimized
Stage 5 - Maturity	9. Not Confirmed	9. Measures of perceived success dependent on business <i>and</i> family <i>and</i> individual
Stage 6 - Regeneration	10. Not Confirmed	10. Succession and exit strategies organically determined

Source: Author

These full-time, first-generation copreneurs diverge from the family business literature in a number of distinctive ways. The copreneurial business is focused on the values of quality and excellence, created with equal, ongoing input from both partners over time. The business is an extension of the *relationship*, created out of a vision to work together, with long-term achievement from a reciprocal *strengthening* of the business, the family, the marriage and the individual. In place of strategic planning (business and marketing plan creation), copreneurs

use intuition, opportunism, flexibility and reciprocal respect and support to guide decisions.

The growth strategy comprising opportunism with spousal checks and balances indicates a distinctive area of internal decision-making that diverges substantially from “best practices” yet produces satisfactory growth toward sustainable business outcomes. In addition, equality in leadership, with joint commitment and trust in decision-making for growth decisions (toward competitive advantage) is a distinctive area that sets these copreneurs apart from other family businesses (i.e. their distinctive “familiness”). This strongly aligned, intimate partnership is unique to copreneurs within the population of family business entrepreneurship and may constitute an important component toward identification of a *theory of the copreneurial firm*. The Part 1 analysis confirms that copreneurs represent a unit of analysis that requires its own research to be fully understood.

#### **9.4 THE FIT OF THE CONCEPTUAL MODEL**

The Conceptual Model of the Copreneurial Enterprise provides the theoretical foundation for data collection, analysis and discussion of the copreneurial enterprise system for the thesis. The component inputs to the model – seminal family business models and theory – form the essential building blocks of the methodology, producing rich narratives and illustrative data that has been analyzed and compared with the current family business, entrepreneurial and copreneurial literature in Part 1 of Chapter 9.

Based on the findings, the model is effective in identifying issues within the copreneurial enterprise for analysis and confirmation (or non-confirmation) of the findings relative to the literature (Table 32). In this regard, the quality and reliability of the model (the “good product” outcome suggested by Chia 2002) has been achieved. Furthermore, the model elicits rich data on individual, group/interpersonal, and organizational levels within family business, including vision and cultural development, marketing strategies, human resource practices, and interorganizational relationships as suggested by Sharma (2004).

Part 1 summarizes a detailed view of copreneurs relative to a myriad of micro and macro topics from the Conceptual Model and their relationship to the literature. However, the lack of confirmation of the Conceptual Model of the Copreneurial Enterprise in key areas of all six stages points to a system view of copreneurs that cannot be explained adequately through a substantial *fit* to the model. This is not surprising, as the Conceptual Model is compiled based on four family business models. The inclusion of all four models was deemed necessary to elicit a comprehensive range of elements in the system, as the emerging field of family business has not yet developed *one model* deemed suitable for empirical family business research. However, the result is that the findings and discussion in Part 1 are incomplete and inadequate to explain long-term *sustainability* of the copreneurial enterprise in answer to the research question. Rather, the system view of full-time copreneurs based on the data arises from the “idiosyncrasies” represented in the sample in the areas of the model that were *not confirmed*.



The discussion demonstrates that optimizing structures created by copreneurs are not based on the development of “best practices,” but rather are based on hard-to-duplicate bundles of resources aligned with the Resource-Based View Theory (RBV) and the Unified Systems Model (Habbershon & Williams 1999; Habbershon, Williams & MacMillan 2006), both components of the Conceptual Model. Furthermore, these idiosyncrasies hold elements of *interactiveness* and *hierarchy* in the copreneurial enterprise system – both components of the system view (Hollander & Elman 1988) reflected in the literature in Chapter 4.

## **9.5 A RESOURCE-BASED VIEW (RBV) APPROACH**

Conclusions in Part 1 appear to favor a Resource-Based View (RBV) approach to answering the research question – by identifying the “idiosyncratic resources that are complex, intangible, and dynamic” (Habbershon & Williams 1999, p. 1) – and recognizing that the perspective “implies that the confluence of the two systems leads to hard-to-duplicate capabilities or ‘familiness’ (Habbershon & Williams 1999) that make family business peculiarly suited to survive and grow.” (Chrisman, Chua & Sharma 2005, p. 557). Identifying copreneurial “familiness” (i.e. “copreneurial-ness”) and its distinctive structure is a key element in answering the research question.

This approach to understanding sustainability of the copreneurial enterprise system is supported in the literature. Structures linked to “best practices” are not the issue (Dana & Smyrniotis 2010), rather,

the more searching, and potentially more revealing question is likely to be:

What do families in business need to *be* and *have*, so that what they do

can contribute effectively to their long-term success with longevity?... Therefore, the resource-based view of the firm together with systems theory are even more critical theoretical underpinnings for the family business best practice approach than strategic planning and management (p. 51).

Three areas of discussion emerged through analysis relevant to RBV and “familiness”:

1. The nature of copreneurs (who they are and what they bring to the enterprise)
2. Their view of life choices and decision-making (how they operate)
3. Their perspective on the business (what it contributes to their family enterprise)

Assembling the business, family and individual findings in Part 1 into these three categories identifies theoretical optimizing structures that lead to long-term sustainability of the business, family and individual. The aim of the subsequent discussion is a more integrated view of these factors toward a comprehensive *model of the copreneurial enterprise*, comprising “parts, hierarchy, openness and interactiveness” (Hollander & Elman 1988, p. 156).

## **9.6 OPTIMIZING STRUCTURES IN COPRENEURIAL ENTERPRISES**

The thesis has clearly shown that copreneurs are distinctive as a sub-group of family business. However, their idiosyncratic way of business and life-making also hold the key to long-term sustainability of both the business and the family.

Rather than optimization through organizational process structures alone, the optimizing structures created by copreneurs comprise individual level, group/interpersonal level, organizational level and societal/environmental level components (Sharma 2004) structured in bundles of idiosyncratic elements (Habbershon, Williams & MacMillan 2006) that lead to competitive advantage and long-term sustainability (i.e. viable businesses, functional families, and fulfilled individuals).

Four structures are assembled from the findings in Chapter 9, representing new knowledge and foundational elements of the *Model of Harmonized Copreneurial Enterprise Management* (Appendix I). The structures represent bundles of qualities and resources in four categories (below) over three phases of business: (1) elements that existed before the start-up phase; (2) elements leveraged during the start-up, growth and maturity stages of the business; and (3) long-term elements developed over the life of the enterprise.

1. Personal Attributes (pre-business)
2. Organizational Elements (leveraged)
3. Reciprocal Relationships (developed)
4. Enterprise Culture (developed)

#### **9.6.1 Optimizing Structure #1: Personal Attributes**

Table 33 summarizes the key personal attributes from the discussion that characterize the nature of copreneurs and form the structure of their relationship with each other. Copreneurs are (1) personally and professionally creative; (2) value the freedom to control their destiny; (3) hold integrated values applied to

both business and family; and (4) maintain a primary commitment to each other. There is evidence that these attributes were present before the start of the business based on interview responses.

**Table 33: Personal Attributes and their Presence in the Enterprise**

<b>Attribute</b>	<b>Presence in Enterprise</b>
Creativity	Identify themselves and each other as artists. Contribute creative ideas to product/service and business interior design. Use creative problem-solving for business. Pursue creative activities outside of business for balance.
Freedom	Have an avoidance of working for others. Exercise freedom to travel and pursue hobbies. Exercise freedom to make spontaneous decisions.
Quality	Value quality, excellence, good work, honesty, truth-telling, integrity, service, respect, giving back, helping people, and fun in both business and personal arenas.
Commitment	Consider their relationship with each other as a priority over business. View working together as a primary reason for business start-up.

Source: Author

The thesis is based on in-depth interviews reflecting the history of the relationship and the business (not a classic longitudinal study), thus it is not possible to conclude with certainty whether the values articulated by the couple were in place “before the business started” or developed as a result of the business and marriage over 20+ years. The constructed stories during the interview indicate that these qualities are indicative of their personalities – *who they are*. The four elements also reflect what they need to *be* (as suggested by Dana & Smyrniotis 2010) to contribute effectively to long-term success and longevity.

### 9.6.2 Optimizing Structure #2: Organizational Elements

Table 34 summarizes key foundational elements leveraged in operation of the enterprise (family and business). Copreneurs have (1) common, integrated goals (business, family, individual); (2) mutual respect; (3) equality; (4) trust; (5) opportunistic thinking; (6) checks and balances; and (7) synergy.

**Table 34: Organizational Elements and their Leverage in the Enterprise**

Attribute	Leverage in Enterprise
Common, integrated goals	Strategic directions are implemented for the harmonious good of the enterprise (business, family, individual).
Mutual respect	Input from both partners is valued.
Equality	Decisions in support of strategic directions can be made by either partner.
Trust	Decisions are supported once made.
Opportunistic thinking	Implementation of strategic actions are based on ongoing, organic processes, with spontaneous events that arise leveraged for the good of the enterprise.
Checks and balances	Knowledge of systems, together with mutual respect, equality and trust results in improved action and reduced risk.
Synergy	Contributions from two empowered owner/managers exercising creativity and critical thinking toward integrated enterprise goals produces synergistic outcomes.

Source: Author

These seven elements appear throughout the model and represent what copreneurs need to *have* (Dana & Smyrniotis 2010) to contribute effectively to long-term success and longevity.

### 9.9.3 Optimizing Structure #3: Reciprocal Relationships

Table 35 summarizes the reciprocal benefits of business ownership that support satisfaction and sustainability of business, family and individual goals. Although these copreneurs value their relationship with their spouse as primary within the

enterprise, they view the business as reciprocally beneficial and valuable to enterprise (family, business, individual) sustainability. The copreneurs view the business as providing individual benefits including (1) an outlet for their creativity and striving for quality in life and business; (2) a way to be close to each other; (3) the vehicle for family support and individual freedom; and (4) a link of closeness to customers and community (for some this was considered their social life).

**Table 35: Copreneurial Needs and Reciprocal Business Value**

<b>Domain</b>	<b>Reciprocal Business Value</b>
Individual career sustainability	Business provides ongoing vehicle for quality, creative self-expression and creative growth of individual through development of new products, services and programs.
Marriage sustainability	Business provides ongoing involvement of both spouses in engaged communication and decision-making processes, leading to intimacy and trust.
Family sustainability	Business provides financial support for family and freedom to create lifestyle options that support family health.
Business sustainability	Business provides integrated control to effect programs that ensure closeness to employees, to customers and community through design of flat management structures, responsive customer service processes, and community outreach.

Source: Author

The copreneurs articulated satisfaction with enterprise outcomes, expressing a “no regrets” attitude. During the interviews there was an absence of blame, an owning of decisions and their outcomes, and a confidence that copreneurs could accomplish anything with the resources they currently had. The summary view was that through their integrated (business, family, individual) efforts, they were living their values and creating and controlling their destiny.

#### 9.6.4 Optimizing Structure #4: Enterprise Culture

Table 36 summarizes the cultural components of the copreneurial enterprise, represented by four broad elements constructed from the values, beliefs and assumptions represented in the Tables in Sections 9.6.1 to 9.6.3 that “largely reflect what has been proven successful, over time, to an organization” (Poza 2007, p. 28).

**Table 36: Cultural Components of “Familianness” in the Copreneurial Enterprise**

<b>Component</b>	<b>Within Enterprise</b>
Connection	With their own individual talents, each other, their customers, employees and community.
Harmony	Within work-family interface, marriage, business and individual objectives.
Equality	In relationship, strategic management, division of duties, leadership and authority.
Balance	In their contribution (i.e. checks and balances) to the enterprise and in their decisions for family and personal well-being.

Source: Author

The findings supported a relationship of these idiosyncratic resources to competitive advantage and business and family sustainability. Copreneurs are inter-connected to their lives and their businesses in a very grounded way. There was a noted absence of dramatic expressions of “love” during the interviews – love for each other, for the business, and for their families. Rather, expressions were of total commitment, passion, willingness to engage in hard work, and high levels of satisfaction without regrets, reflecting “sure-footedness” with their lives and their enterprise. Most indicated they were still having “fun.” The copreneurs in the sample were engaged, connected, focused, and appreciative of each other and what they had created together.

Whether this intimate, harmonious, egalitarian, balanced enterprise can be taught or whether it can only be experienced (as through a journey) and built (as a personal life structure) cannot be determined through this one study. However, there is evidence that it is a defined structure that constitutes a system that produces sustainability of an enterprise that includes “functional families and profitable businesses” (Stafford et al. 1999, p. 197) *and* self-fulfilled individuals in long-term marriages. It may be difficult to ascertain if copreneurs are successful because of their creative talents, their quality perspectives on life and business, their commitment to each other, and their strong culture (or all of the above) OR if these develop through longevity. This provides a question for further research.

The four tables summarizing optimizing structures (Tables 33 to 36) represent “idiosyncratic resources that are complex, intangible, and dynamic” within the sustainable copreneurial enterprise (Habbershon, Williams & MacMillan 2006) and “largely reflects what has been proven as successful, over time” (Poza 2007, p. 28). These elements can be considered “markers” for the Resource-Based View of copreneurs and integral to any *model of the copreneurial enterprise*. They represent an important portion of the “familiness” aspect of the copreneurial family business.

The original definition by Barnett and Barnett (1988) was confirmed in the thesis with evidence of enterprises based on “trust, equality, sharing and intimacy.” Fitzgerald and Muske’s (2002) definitional criteria was represented with entrepreneurial enterprise, ownership, commitment, responsibility, management, shared risk, egalitarian, partnership and intertwined worlds evident. However, the



pervasive issue of individual creativity and the cultural underpinnings of harmony and balance did not appear in the literature. At the level of “system”, the copreneurial culture based on creative, harmonious and balanced decisions would be included in the “network of interdependent components that work together to try to accomplish the aim of the system” (Deming 1993, p. 50) and integral to the interrelatedness of “parts, hierarchy, openness and interactiveness” (Hollander and Elman 1988, p. 156) of the system.

Furthermore, the full integration of business, family and individual domains is a particularly idiosyncratic foundation and may ultimately define full-time, first-generation copreneurs with *outwardly equal* ownership and management as neither *ponies with stripes*, nor *zebras*, but as a separate and distinct family business genus that combines family, business and individual entrepreneurship (i.e. *white tigers*). This conclusion is consistent with Blenkinsopp and Owens’ (2010) assessment of copreneurs as the link between family business and entrepreneurship, a view that elevates the subset to an even richer status.

## **9.7 THE MODEL OF HARMONIZED COPRENEURIAL ENTERPRISE MANAGEMENT**

The comprehensive findings in Chapter 9 are the basis for the theoretical Model of Harmonized Copreneurial Enterprise Management (Appendix I). The four structural dimensions of “familiness” (Tables 33-36) form the central hub of the model, with intertwined and integrated domains of individual, family and business radiating out from the center. Growth and sustainability are outcomes of decision-making that harmonizes the three domains (business, family, individual). Growth resulting from decisions feed back into the enterprise continually,

inspiring new opportunities for business, family and individual. Sustainability of business and family is the product of the long-term pursuit of harmonized goals in a value-driven environment based on the owners' values and the elements they leverage within the organization. The reciprocal strengthening of the dimensions of business, family/marriage and individual move the enterprise toward long-term sustainability; with a created culture that supports this continuous movement.

The Model of Harmonized Copreneurial Enterprise Management comprises central foundational elements that radiate out through the three domains of individual, family and business – similar to a stone cast in a still pond that creates expanding ripples outward from the point of contact. The model reflects a relatively unchanging foundation based on bundles of idiosyncratic elements, with growth a function of recognizing and taking advantage of opportunities that arise in the individual, or the family or the business domains. The result is long-term sustainability of both the business and the marriage.

Chapter 9 presented findings and discussion of the analysis of the data from the empirical testing of the Conceptual Model of the Copreneurial Enterprise. Chapter 9 has furthermore answered the research question: *What optimizing structures are created by copreneurs to achieve sustainability of both the business and family?* The structures were described in Tables 33-36 and assembled into the Model of Harmonized Copreneurial Enterprise Management, a visual representation of the “familiness” of the copreneurial enterprise. Chapter 10 presents contributions, implications, limitations and future research based on the thesis.

## **Chapter 10: Conclusions**

### **INTRODUCTION**

Chapter 10 presents the conclusions that may be made from the findings which addressed the thesis research question. Section 10.1 reviews the aim of the thesis, the gaps in the literature, and the research question as proposed in Chapter 1. Section 10.2 presents a discussion of the implications of the thesis findings, their value to copreneurs and their contribution to the scholarly literature. Section 10.3 discusses the thesis limitations. Section 10.4 suggests areas for future research addressing copreneurial enterprises.

#### **10.1 THE RESEARCH QUESTION**

The aim of the thesis was to identify structures that support long-term sustainability of the copreneurial enterprise and its sub-systems. An extensive review of the literature identified three gaps in the literature:

1. The lack of current research investigating full-time, first-generation copreneurs;
2. The lack of rich and meaningful data investigating long-term sustainability of copreneurial enterprises; and
3. The lack of family business models specific to the sustainable copreneurial enterprise.

Three gaps in research methodology addressing copreneurs were identified:

1. The need for system-level, multi-disciplinary research;
2. The need for distinct definitions and homogenous samples in family business research; and

3. The need for research based on theoretical frameworks tested empirically in the field.

To support the aim of the thesis, the following research question was derived from the extensive literature review: *What optimizing structures are created by copreneurs to achieve sustainability of both the business and the family?*

The gaps in the literature were addressed through the design of a qualitative study of full-time, first generation copreneurs in small and medium enterprises in four regions of the United States. Long-term sustainability was investigated through the collection and analysis of historical data from more than 20 years of business and marriage for each couple, exploring the stages of business development through business, family and individual domains at each stage, with particular attention to boundaries and transitions, allocations and trade-offs, evaluation and decision making. The data analysis produced findings that led to the development of the Model of Harmonized Copreneurial Enterprise Management.

The gaps in the research methodology were addressed in the thesis through development and utilization of a system-level Conceptual Model of the Copreneurial Enterprise, with a well-defined definition of copreneurs as life partners who are full-time, first generation joint owners and managers of a business. The definition was utilized to select the 10 U.S.-based couples in the sample. The conceptual model was tested empirically in the field, yielding a wealth of rich data, which was analyzed (using manual theme-category and

NVivo analysis) to reveal extensive findings on components of the copreneurial enterprise system and sub-systems (business, family, individual) and the interrelatedness of the system functions. An Operationalization of the Conceptual Model of the Copreneurial Enterprise was developed from the analyses.

## **10.2 IMPLICATIONS OF FINDINGS AND DISCUSSION**

As discussed in Chapter 9, optimizing structures in the copreneurial enterprise are not “best practices,” but rather comprise bundles of resources and capabilities that impact the enterprise toward sustainability. The Model of Harmonized Copreneurial Management portrays an optimizing system-structure with four sub-system structures (i.e. bundles of resources and capabilities: personal attributes, organizational elements, reciprocal relationships and enterprise culture) with sub-system interaction within the model leading to growth and sustainability for the enterprise. The findings and discussion comprehensively answer the thesis research question; however, the implications of the thesis are far-reaching within the field of family business in general and with copreneurs as a subset.

The implications, value and contribution of the thesis are three-fold: (1) The contribution to methodology for copreneurial researchers; (2) the contribution to understanding copreneurs as a subset of family business; and (3) the contribution to education and support for copreneurs.

### **10.2.1 Contribution to Methodology in the Study of Copreneurs**

The development and testing of a conceptual model specific to copreneurs – one that includes stages of business development and exploration of business, family and individual factors *over time* – extends the research from single discipline, point-in-time studies to multi-disciplinary system research over multiple-decades of business and family development. The Conceptual Model of the Copreneurial Enterprise can be used to guide future research into copreneurs on a number of levels (e.g. international comparative studies; exploration of findings within stages; exploration of findings with other populations such as non-copreneurial family businesses). To date there is an absence of a comprehensive system model for copreneurial research *over time* focused on business, family and individual domains through multiple stages over the life of an enterprise.

Furthermore, the development of the outcome Model of the Harmonized Copreneurial Enterprise Management extends the research beyond “what” copreneurs are to “how” they grow and “why” copreneurial enterprises are sustained (Holstein & Gubrium 2011). The model captures the micro, meso and macro issues within the system (Litz, Pearson & Lichfield 2011) and identifies what family businesses need to “be” and “have” to survive and grow (Dana & Smyrnios 2010).

At a time when copreneurs are growing as a subset of family business and also gaining greater research attention (e.g. the National Family Business Survey research studies; Blenkinsopp & Owens 2010), the development of a conceptual model that has been tested in the field is an important contribution to moving

research forward toward *a theory of the copreneurial firm*. Furthermore, the model progresses the research on copreneurs in a meaningful way – from the realm of marriage partners who also share a business (the focus of psychology and sociology research) to business partners who are also life partners (a subset of family business research).

### **10.2.2 Contribution to Understanding of Copreneurs**

The thesis produced substantial new knowledge into the system in which full-time, first-generation copreneurs achieve sustainability of both the business and the family, including marriage longevity. While the findings confirmed the literature describing copreneurs as having a shared vision, prioritizing marriage over business, intermingling finances, and enjoying positive, reciprocal relationships between the business and the family, including support and trust in their spouse, little was known about how copreneurs actually manage their business toward sustainability – and how that process interfaces with their marriage relationship toward marriage longevity.

The thesis uncovered rich narratives that articulated business-related processes and structure based on the value of quality, the application of creativity, and opportunistic thinking with checks and balances (through mutual respect and trust in their spouse) leading to synergy that maintained competitive advantage to the present time, with a positive outlook toward retirement.

The thesis revealed rich stories of personal achievement, highlighting the exercise of freedom to create a life where values are lived, decisions are made

for the harmonized good of business, family and individual, and marriage is strengthened through the practice of mutual respect and equality, applied in both the business and personal arenas. The finding that successful copreneurs start businesses together because they primarily wish to spend time with each other (i.e. an extension of their relationship commitment) is new knowledge not reported in the literature.

The thesis revealed a rich enterprise culture developed over time, building connection, harmony, equality and balance among customers, employees and each other into a strong foundation for both business and family sustainability. Furthermore, the substantial integration of the three domains (business, family and individual) as an integral component in sustainability represents new knowledge, with the Model of Harmonized Enterprise Management the dominant theory developed from the thesis.

The finding that copreneurs do not use best practices in business is not new to the literature (Dana & Smyrnios 2010). However, the substantial insights into how they leverage bundles of resources and capabilities into competitive advantage – connection with their customers; trust in each other; opportunistic thinking; and checks and balances based on their respective areas of expertise – represents new knowledge into “familiness” that supports business sustainability.

The extensive findings in this thesis answer the research question on many levels. The thesis represents an attempt to “Go wide, go deep, go big” as suggested by Litz, Pearson and Lichfield (2011, p. 19). This qualitative



investigation of copreneurs is the first multi-disciplinary, single-typology, system study on sustainability of copreneurs over the working life of the business and marriage. In sum, the thesis answers the research question and also demonstrates new knowledge on the level of research methodology. Furthermore, the thesis provides a foundation for other copreneurial researchers to develop and test models on other segments of the population.

### **10.2.3 Contribution to Education and Support for Copreneurs**

The identification of optimizing structures that inform a greater understanding of how copreneurs can achieve business and family (marriage) longevity has the potential to impact directions in copreneurial research and education. As reported by Headd (2003), only 50% of new U.S. employer firms remain in business four years after start-up. The impact of a small business closure on employees, coupled with the loss of employment of two partners in the same family, represent a substantial negative economic imprint. Outcomes that improve sustainability of copreneurial enterprises and clarify educational directions for family business support services (public and private) are beneficial to both family and economy.

### **10.3 LIMITATIONS**

As with most studies, there are limitations. Three limitations are identified in the thesis:

1. Sparse copreneurial literature. For purposes of this thesis, the greater set of family business literature and male/female entrepreneurial literature was reviewed, as the current literature on copreneurs is not extensive and does

not address all relevant topics in family business (e.g. succession, agency theory). This assumes that all family business and entrepreneurship literature applies to copreneurial research, which may not be the case.

2. Homogenous sample. Copreneurs in the sample were all in a mature age range of 49-75 years. All participants were screened using the same parameters, including full-time employment/ownership in business. All were male-female married couples. Consequently, findings may not be applicable to other generations of copreneurs, to part-time copreneurs, or to unmarried partners.
3. Small sample (although this sample was representative of the identified category based on definition). Ten couples were interviewed and a saturation point was reached for the qualitative thesis. However, the hoped for sample was 12 or more. Limitations existed in the logistics of travel overseas to collect data, as several couples who initially agreed to participate could not. Although saturation was reached, it did not allow for extensive between-couple comparisons. This is perceived as a limitation in the analysis and findings.

#### **10.4 FUTURE RESEARCH**

A wealth of qualitative information was uncovered and analyzed in the thesis. For the field of copreneurial research to grow, more empirical studies should be conducted utilizing theoretical models such as the Conceptual Model of the Copreneurial Enterprise. The first level of future research beneficial to the field is to use the model in a second study in the U.S. or in an international comparative study with another country such as Australia.

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## APPENDIX A: Chronological matrix of literature analyzed by theme

AUTHOR	Copreneur-Specific	Strategic Mgmt.	Success Factors	Work-Family Interface	Gender	Conflict /tension	Model	Article Overview
Kanter (1977)		X		X	X	X		Interdependency of working couples explored.
Greenhaus & Beutell (1985)				X	X	X	Work/Family Conflict	Includes a model of Work-Family Roles Pressure Compatibility and seven propositions regarding role behaviors underlying work-family conflict.
Hollander & Elman (1988)		X		X			Need for Model	Examined three elements of family business, calling for greater understanding of the “parts” before developing system models.
Barnett & Barnett (1988)	X	X						Cited most often as first definition of “copreneurs” as a subset of family bus.
Jaffe (1990)	X	X	X	X	X	X		Book, similar to Marshack, with diagnostics and tips for working together – includes both family and copreneurial business.
Whiteside & Herz-Brown (1991)		X		X				Suggested drawbacks of dual-systems (work-family) approach in favour of family firm as a single entity.
Marshack (1993-94)	X		X	X	X	X		Examines copreneurs from a psychological perspective (roles, sex).
Sharma Chrisman & Chua (1997)		X			X		Need for Model	Review of 204 family business articles – with new research objectives to improve – need for empirical research.
Foley & Powell (1997)	X		X	X	X	X	W-F Conflict	12 propositions on the relationship between conflict, satisfaction and success (not based on a study).
Winter et. al. (1998)								Details of 1997 NFBS selection process.

## APPENDIX A: Chronological matrix of literature analyzed by theme (cont'd)

AUTHOR	Copreneur-Specific	Strategic Mgmt.	Success Factors	Work-Family Interface	Gender	Conflict /tension	Model	Article Overview
Stafford, Duncan, Dane & Winter (1999)		X	X	X		X	SFB Model	SFB Model – distinguished from other models in that it treats family and business in equal detail and emphasis (used to guide data collection and analysis for NFBS).
Danes, Zuiker, Kean & Arbuthnot (1999)			X	X	X	X	FIRO used	Used NFBS to investigate predictors of business tensions and family & business goal achievement. Used FIRO model and the APGAR (family health) assessment tool.
Habbershon & Williams (1999)		X	X	X			RBV	Offered Resource-Based View (bundle of resources) as a strategic framework for assessing family firms. Precedes 2003 Unified Systems perspective.
Sorenson (1999)			X	X		X	Conflict Mgmt.	Compared conflict resolution in 59 family businesses – favored collaboration.
Tompson & Tompson (2000)	X		X	X		X		NZ paper from ICSB World Conference with summary of existing perspectives and propositions for advancing research.
Smith (2000)	X		X	X	X	X		Based on Australian study of 20 copreneurial couples. Examined roles, conflict, opportunities and disadvantages.
Du Rietz & Henrekson (2000)			X		X			Swedish study of 4200 entrepreneurs – found when controls were in place, females underperformed only on “sales” (1 out of 4 performance variables).
Karofsky et al. (2001)				X	X	X		Study of 156 business owners on anxiety levels caused by the intrusion of work into personal life. Used Australian Family Business Lifestyle Audit – 150 Q's.

## APPENDIX A: Chronological matrix of literature analyzed by theme (cont'd)

AUTHOR	Copreneur-Specific	Strategic Mgmt.	Success Factors	Work-Family Interface	Gender	Conflict /tension	Model	Article Overview
Fitzgerald & Muske (2002)	X		X	X	X			Using data from NFBS; compared copreneurs to noncopreneurs.
Danes, Rueter, Kwon & Doherty (2002)	X						FIRO	Applied FIRO to 207 family farming couples. FIRO = conceptual model based on Inclusion, Control and Integration. Used often but not longitudinally.
Astrachan, Klein & Smyrnios (2002)		X	X	X			F-PEC	Proposes method to assess the extent of family influence to measure impact of family on outcomes such as success, failure, strategy and operations.
Bates (2002)					X			Explores access to resources for women-owned businesses. Contends restrictions.
Folker, Sorenson & Hoelscher (2002)					X			Examines women's role in development of social capital in family firms. Reviews women's contributions (the "glue").
Muske, Fitzgerald & Kim (2002)	X		X				SFB Model	Used NFBS to examine copreneurs and noncopreneurs by business type on household, business and success variables.
Olson et al. (2003)		X	X	X		X	SFB Model	NFBS-based – Sustainable Family Business Model used to analyze success factors.
Chrisman, Chua & Steier (2003)		X		X			Need For	Intro to special issue of Journal of Business Venturing – relates entrepreneurship to family business and proceedings of 2001 conference.

## APPENDIX A: Chronological matrix of literature analyzed by theme (cont'd)

AUTHOR	Copreneur-Specific	Strategic Mgmt.	Success Factors	Work-Family Interface	Gender	Conflict /tension	Model	Article Overview
Muske, Fitzgerald & Haynes (2003)	X		X	X				Compares copreneurs with noncopreneurs using NFBS data, specifically family/business Intermingling.
Habbershon Williams & MacMillan (2003/2006)		X	X	X			Unified Systems Model	Reviewed history of models and offered a Unified Systems Model.
Chrisman, Chua & Litz (2003)							Unified Systems Model	Commentary on substituting “value creation” for “wealth creation” as the defining function of family business.
Chrisman Chua & Sharma (2003)		X		X			Need For Theory of Family Firm	Review of 190-articles (1996-2003) categorized by strategic management sub-topic. Includes table + discussion as well as proposed business research & education.
DeMartino & Barbato (2003)			X	X				Comparative study of male and female MBA entrepreneurs & intentions.
Smyrniotis et al. (2003)				X		X	W-F Conflict	Sequel to Karofsky, et al. (2001) and compared US and AUS owners on anxiety. Larger sample used this time = 1,320.
Danes & Olson (2003)	X – couples where husb. is owner		X		X	X	FIRO APGR	NFBS-based of 391 family-business-owning couples where husband is business owner. Studied wife involvement and tensions.
Watson (2003)			X		X			Australian study of 8,375 businesses on male vs. female entrepreneur failure rates.

## APPENDIX A: Chronological matrix of literature analyzed by theme (cont'd)

AUTHOR	Copreneur-Specific	Strategic Mgmt.	Success Factors	Work-Family Interface	Gender	Conflict /tension	Model	Article Overview
Schinde-Hutte, Morris & Brennan (2003)			X		X	X		Examines role of women as entrepreneurs and their relationships with family obligations, especially their children. 13 families in U.S. – 10 in Africa.
Sharma (2004)		X	X	X	X		Need For	Review of 217 refereed articles on Family Business With recommended research directions.
Bruni, Gherardi & Poggio (2004)					X	X		(Italy) Examines Entrepreneurship as a masculine business construct and explores women's adaptability within this perspective.
Chrisman, Chua & Sharma (2005)		X	X	X			Need for Theory of Family Firm	Rich article advocating an examination of strategic management relative to Theory of the Family Firm.
Klein, Astrachan & Smyrnios (2005)		X	X	X			F-PEC	F-PEC (Power, Experience & Culture) tested with 1,000 companies. Demonstrated high levels of reliability.
Muske & Fitzgerald (2006)	X		X	X	X		SFB Model	Time study (1997-2000) from NFBS on business sustainability.
Heck et al. (2006)		X	X	X		X	SFB Model	Review of Stafford's Sustainable Family Business Model and NFBS
Shelton (2006)		X	X	X	X	X	X	Focuses on female entrepreneurs; proposes role elimination, reduction & sharing to minimize conflict.
Poutziouris, Smyrnios & Klein (2006)		X	X	X	X	X	X	Handbook of Research on Family Business – 630 pages on various current theories and themes – 82 contributors w/bios.



## APPENDIX A: Chronological matrix of literature analyzed by theme (cont'd)

AUTHOR	Copreneur-Specific	Strategic Mgmt.	Success Factors	Work-Family Interface	Gender	Conflict /tension	Model	Article Overview
Sharma, Hoy, Astrachan & Koiranen (2007)		X					X	Chronology of Family Business education studies & events from 1953 to 2007. Broad-based including anthropology, family therapy, soc/psychology, business, etc.
Jennings & McDougald (2007)			X	X	X	X	Gender Diff.	Integrates WFI & gender issues into entrepreneurial performance differences
Bjornberg & Nicholson (2007)							FCS	Developed Family Climate Scales self-reporting tool (communication, adaptability, etc) -- high internal consistency.
Cole & Johnson (2007)	X				X	X		Grounded study of 9 couples regarding post-divorce business relationships.
Pieper & Klein (2007)		X					Bull-Eye Model	Traces history of models and proposes an open systems approach – the Bulleye Model. Includes lit. review of 24 articles contributing to model development.
Millman & Martin (2007)	X	X	X	X	X	X		A short but relevant article on copreneurial companies headed by women.
Haynes, Onochie & Muske (2007)			X	X				Analyzed effect of business financial success on family financial success and well-being. Found positive changes in business financial measures had no influence on a more positive perception of the family's success.

## APPENDIX B: Identified Family Best Practices Clustered Around Key Topics

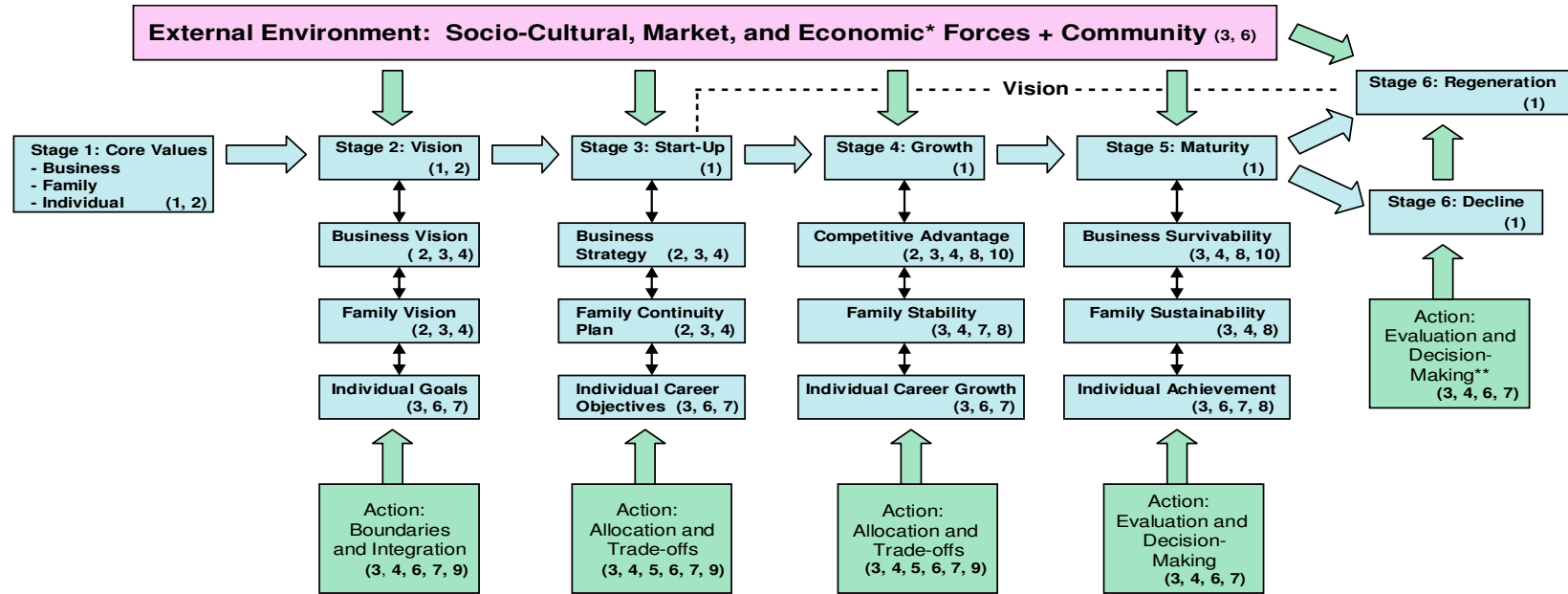
	Summary of principal best practices dimensions
1*	Respect for the challenge of combining family with business; effort to learn about it
2*	Emphasis on family unity, culture, values, shared visions and mission; avoidance of factional politics
3*	Family members' commitment to one another and to the business; stewardship
4*	Accepting as legitimate different family members' perspectives on family business issues
5?	Ongoing family-in-business education and development programs and processes
6	Establishment of family-in-business policies before need arises
7?	Communication, including regular family meetings, conflict management and resolution processes
8	Strong family and business leadership over generations
9*	Judicious management of the family/business interaction
10	Employment, promotion and compensation of family members based on competence and merit
11*	Clear roles, responsibilities, and boundaries for all employed family members
12	Hiring and retaining professional non-family members
13	Respect for the role of management and for managers; avoid meddling
14*	Family business management that focuses on business excellence, and commitment to quality
15	Fostering intergenerational entrepreneurship and entrepreneurial growth
16*	An equity structure appropriate to continued control by family members
17	Governance structures and processes including independent boards, family charter or code of conduct
18	Strategic planning to mitigate risk and capture opportunities
19	Dividend policy based on profitability of the business
20	Timely use of outside resources and assistance (e.g. advisory boards and professional advisors)
21*	Family commitment to long-term viability and continuity of the business, and to succession planning
22	Proactive next-generation development activities and processes to produce successful leaders
23	Induction of in-laws into family
24	Ownership redemption and exit options (shareholder liquidity)
25*	Ability to handle and be comfortable with wealth; family members living beneath financial means
26*	Community, corporate citizenship, philanthropic and charitable activities; building social goodwill

\* = practiced regularly by copreneurs

? = practiced in an ad hoc manner

Source: Dana, LE & Smyrnios, KX 2010, 'Family business best practices: Where from and where to?', *Journal of Family Business Strategy*, vol. 1, no. 1, p. 42.

# APPENDIX C: Conceptual Model of the Copreneurial Enterprise



## Appendix C: Conceptual Model of the Copreneurial Enterprise

Author (2010)

\*Prosperity, Recession, Depression, Recovery  
U.S Recessions: 1980-82; 1990-91; 2001; 2007-present  
\*\*Regeneration, Sale, Succession, Shut-Down

- (1) = Poza (2007)
- (2) = Carlock & Ward (2001); Ward (2004)
- (3) = Habbershon, Williams & McMillan (2006)
- (4) = Stafford, Duncan, Danes & Winter (1999)
- (5) = Sharma, Chrisman & Chua (1997)
- (6) = Barnett & Barnett (1988)
- (7) = Marshack (1993, 1994)
- (8) = Muske & Fitzgerald (2006)
- (9) = Muske, Fitzgerald & Haynes (2003)
- (10) = Jensen & Meckling (1976)

## APPENDIX D: Participant Questionnaire

1. Including yourself, how many people currently live in your household?

\_\_\_\_\_

2. Would you please list the names of the other members of your household (those who live with you), their relationship to you and whether or not they currently work in the business.

Name	Relationship	Age	Works in Bus.?	
_____	_____	_____	Yes	No
_____	_____	_____	Yes	No
_____	_____	_____	Yes	No
_____	_____	_____	Yes	No

Are there family members who work in the family business but do not reside with you? If so, please list them below.

Name	Relationship	Age
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. In what year did your business begin operation? \_\_\_\_\_

4. How many total employees other than you and your partner work in the business? \_\_\_\_\_

5. How many are full time? \_\_\_\_\_ Part time or seasonal? \_\_\_\_\_

6. How many of your total employees are relatives who do not live in your household? \_\_\_\_\_

Country of Origin: \_\_\_\_\_

Annual revenues/turnover: \_\_\_\_\_

Source: National Family Business Survey (1997)

## APPENDIX E: Participant Chronology

In preparation for our interview, it will be helpful to construct a simple family business timeline for your reference. Please include in chronological order (indicate year) any relevant information from among the following. Add extra pages if necessary:

1. Start of personal partnership/marriage
2. Start of business
3. Family change (children, home location, etc.)
4. Business change (new products, locations, acquisition or sale)
5. Financial change (revenues, profits, growth patterns)
6. Other events that might significantly affect the business or family.

[illegible]

## APPENDIX F: Plain Language Statement



University

Business Portfolio

School of Management

### INVITATION TO PARTICIPATE IN A RESEARCH PROJECT PROJECT INFORMATION STATEMENT

#### ***Project Title:***

Copreneurial Sustainability: Optimizing Structures in U.S. Enterprises

#### ***Investigators:***

- Ms. Patricia Eisele (Business PhD Student) [patricia.eisele@rmit.edu.au](mailto:patricia.eisele@rmit.edu.au)  
(Australia phone number: +61-410-369-266)
- Associate Professor Adela McMurray (Supervisor) [adela.mcmurray@rmit.edu.au](mailto:adela.mcmurray@rmit.edu.au)  
(Australia phone number: +61-3-9925-5946)

Dear Participant:

You are invited to participate in a research project being conducted by RMIT University in Melbourne, Australia. This information sheet describes the project in straightforward language, or 'plain English.' Please read this sheet carefully and be confident that you understand its contents before deciding whether to participate. If you have any questions about the project, please ask one of the investigators.

#### ***Who is involved in this research project? Why is it being conducted?***

This research is being conducted in fulfillment of the requirements for a PhD degree in the College of Business, School of Management at RMIT University. The project has been approved by the RMIT Human Research Ethics Committee.

#### ***Why have you been approached?***

You have been selected as a participant because you fit the criteria of the study (i.e. full-time copreneurs who own and manage a first-generation business and who have been in a business and personal relationship for more than 20 years).

#### ***What is the project about? What are the questions being addressed?***

This project is designed to explore long-term sustainability (success) among couples who own and manage a joint business. The primary research question is, "What optimizing structures are created to achieve long-term sustainability (success) of a copreneurial enterprise?" Part of this study will explore the organizational structures you have created to manage business and family over time, leading to long-term business sustainability and family stability.

## **APPENDIX F: Plain Language Statement (cont'd)**

### ***If I agree to participate, what will I be required to do?***

Participation will involve filling out a written form (30 minutes) and an interview – face-to-face at your place of business. If you are not available for a face-to-face interview, we may conduct the interview by phone (1 to 2 hours). Whenever possible, both copreneur participants will be interviewed at the same time. You will be provided with both the survey questions and the interview questions approximately 30 days prior to the face-to-face meeting. The written survey and participant consent form will be collected at the interview. Interviews will be tape-recorded as part of the academic process. In the case of a phone interview, we will provide a pre-stamped international envelope for you to return the completed written survey and consent form.

### ***What are the risks or disadvantages associated with participation?***

Information from the interviews will be included in the data section of the PhD dissertation, however, neither you, your company, or your location will be identified by name. Aggregate findings may be published in academic journals in the future, but will not include identification by name.

If you are unduly concerned about your responses to any of the questionnaire items or if you find participation in the project distressing, you should discuss your concerns with the investigator (Patricia Eisele) or contact her supervisor, Dr. Adela McMurray, by email at [adela.mcmurray@rmit.edu.au](mailto:adela.mcmurray@rmit.edu.au), or by phone at +61-3-9925-5946 as soon as convenient. Ms. Eisele or Dr. McMurray will discuss your concerns with you confidentially and suggest appropriate follow-up, if necessary.

### ***What are the benefits associated with participation?***

There is no direct benefit to you as a participant in this survey beyond the satisfaction of assisting us in exploring success factors among copreneurs.

### ***What will happen to the information I provide?***

All audio tapes, transcripts, and surveys will be kept at RMIT University in a secure area for a period of 5 years (upon completion of the project) before being destroyed. Identified data will be seen by a small number of people, including the researcher, the senior supervisor, and the second supervisor. Any information that you provide can be disclosed only if (1) it is to protect you or others from harm, (2) a court order is produced, or (3) you provide the researchers with written permission.

Results will be disseminated in a written PhD dissertation. Case-study information will be provided on each participant company interviewed; however although industry information may be included, participants will not be identified by name or geographic location. In most cases, data will be aggregated.

## **APPENDIX F: Plain Language Statement (cont'd)**

### ***What are my rights as a participant?***

In participating in this survey, you have the following rights:

- The right to withdraw your participation at any time, without prejudice.
- The right to have any unprocessed data withdrawn and destroyed, provided it can be reliably identified, and provided that so doing does not increase the risk for the participant.
- The right to have any questions answered at any time.

### ***Whom should I contact if I have any questions?***

Please contact the researcher at [patricia.eisele@rmit.edu.au](mailto:patricia.eisele@rmit.edu.au) (Tel: 61-410-369-266) or the senior supervisor, Dr. Adela McMurray, at [adela.mcmurray@rmit.edu.au](mailto:adela.mcmurray@rmit.edu.au) (Tel: 61-3-9925-5946).

### ***What other issues should I be aware of before deciding whether to participate?***

We have tried to include the relevant ethical issues in this document. If after reading it, you would like further information, please contact the researcher. If there are changes to the interview schedule or your willingness to participate, please contact us as soon as possible.

Yours sincerely,

Patricia Eisele, BS, MBA  
[patricia.eisele@rmit.edu.au](mailto:patricia.eisele@rmit.edu.au)  
Int'l – Australia: 61-410-369-266

Adela J. McMurray, PhD  
[adela.mcmurray@rmit.edu.au](mailto:adela.mcmurray@rmit.edu.au)  
Int'l – Australia: 61-3-9925-5946



## APPENDIX G: Interview Guide

**Primary Question: What optimizing structures are created by copreneurs to achieve sustainability of both the business and the family?**

Questions are based on the stages of family business development (Source: Poza 2007)

1. Values
2. Vision
3. Start-Up
4. Growth
5. Maturity
6. Regeneration (re-entry into new growth stage) and Decline

### **1. Pre-Business**

- 1.1 Tell me about your life and your careers before you started your business.
- 1.2 What date did you start your business?

### **2. Core Values**

- 2.1 Describe the core values for your business, family and self.
- 2.2 Describe their relationship to one another.

### **3. Shared Vision**

- 3.1 What events led to your decision to start a business together (personal, family, and economic)?
- 3.2 What was the initial vision for your business?
- 3.3 What was your vision or plan for your family at the time?
- 3.4 What were your personal or career goals?
- 3.5 Describe their relationship to one another (in terms of boundaries and/or integration).

### **4. Start-Up Phase**

- 4.1 What was your initial business strategy? (what to market, where, when, how, who)?
- 4.2 How did you initially allocate resources between the business and the family (goals, finances, operations, time)?
- 4.3 Describe trade-offs (business, family, self) you made during the start-up phase.
- 4.4 To what extent were business, family and personal goals represented in your start-up plan?
- 4.5 How did you initially structure *business and family* operations for efficiency and effectiveness (optimization) during start-up?
- 4.6 What kinds of changes/adjustments did you make during the start-up phase?
- 4.7 Looking back, what would you have done differently? Why?

## APPENDIX G: Interview Guide (cont'd)

4.8 In your mind, how long (years) was the business start-up phase?

### 5. Growth Phases

5.1 In what year did your business start to make a profit?

5.2 Describe historic growth stages (or patterns of growth) in your business. Include the year(s) when growth trends occurred and the reasons (i.e. expansion, acquisition, etc.). You may want to refer to the timeline you constructed.

5.3 What factors are considered in making growth decisions (i.e. business factors, family factors, individual factors, economic factors)?

5.4 Describe the decision-making process and your roles.

5.5 How would you describe the trade-offs between the need for competitive advantage, family stability, and individual career growth?

5.6 How did the *business management* structure change during periods of business or family growth?

5.7 Describe any periods of personal or business crisis and how management of the business or family changed to address the issues.

5.8 Looking back, what would you have done differently? Why?

### 6. Decision-Making and Leadership

6.1 How do you allocate day-to-day decision-making for the business?

6.2 How do you allocate day-to-day decision-making for the family?

6.3 Does community come into play at any point?

6.4 How do you manage overall strategic leadership responsibilities?

6.5 How are individual differences resolved?

6.6 Do you take turns with leadership roles? If yes, please detail.

### 7. Stages of Maturity, Re-Growth and Decline

7.1 How would you describe your business growth pattern at this point in time?

7.2 How would you describe your progress toward your original vision?

7.3 Describe your direction for the next 5-10 years (i.e. growth, regeneration, succession, sale, shut-down).

7.4 How are business survivability, family sustainability, and individual achievement represented in your plan?

7.5 What business, family or individual changes are in progress at this time?

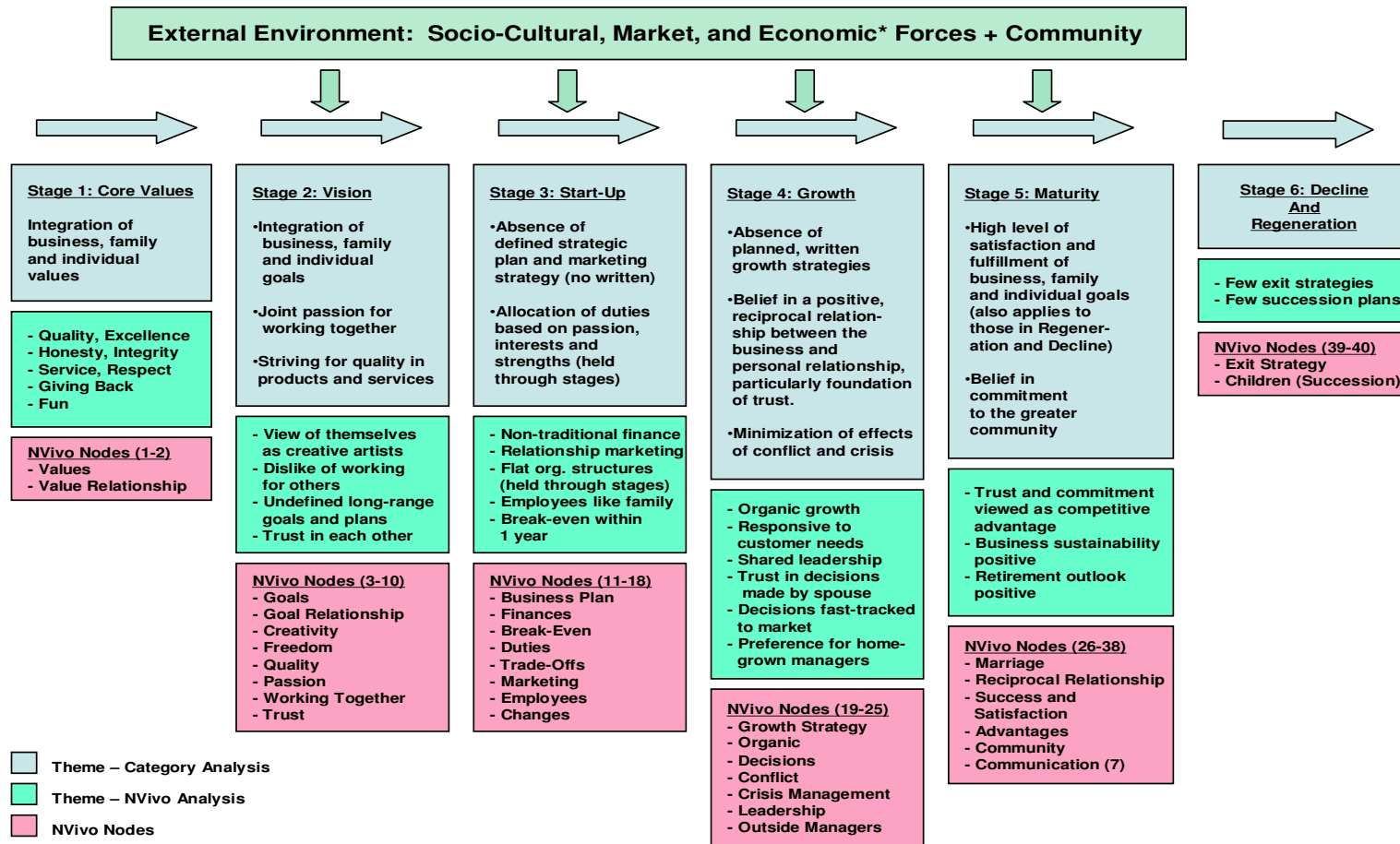
## APPENDIX G: Interview Guide (cont'd)

- 7.6 What prompted those changes (i.e. business factors, family factors, individual factors, economic factors)?
- 7.7 How will those changes help you to meet your business, family and individual goals in the future?
- 7.8 In what way, if any, has the economic downturn impacted your business? If yes, then when did this happen? In what way?
- 7.9 If yes, then how has the economic down-turn affected your business, family and individual goals?

### 8. Success and Sustainability

- 8.1 In terms of *business sustainability*, how would you describe your achievement to date (both objective and subjective measures of success)? If there are particular events that define success of the business, briefly describe them and provide dates.
- 8.2 In terms of *sustaining your relationship and family*, how would you describe your achievement to date (both objective and subjective measures of success)? If there are particular events that define success of the relationship and family, briefly describe them.
- 8.3 In terms of your *career aspirations*, how would you describe your achievement to date (both objective and subjective measures of success)? If there are particular events that define your personal career success, describe them.
- 8.4 How would you characterize the relationship among the three?
- 8.5 What business, family, or individual factors do you think have been *most responsible* for the overall success of your business? The success of your family? Your individual success?
- 8.6 In your view, what advantages do you have over non-copreneurial businesses? Why do you think this is so?

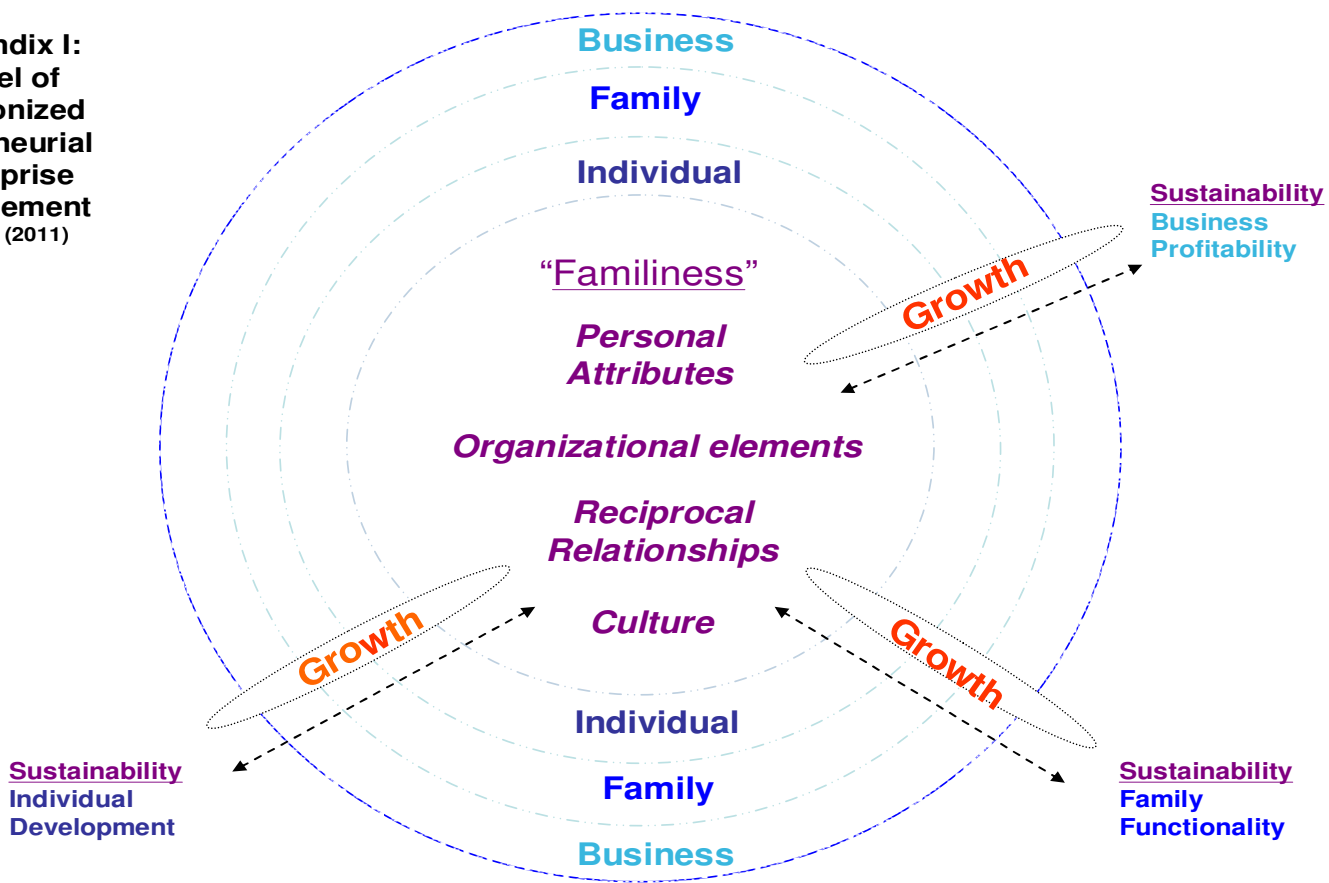
## APPENDIX H: Operationalization of the Conceptual Model of the Copreneurial Enterprise



**Appendix H: Operationalization of the Conceptual Model of the Copreneurial Enterprise -- Source: Author (2011)**

APPENDIX I: Model of Harmonized Copreneurial Enterprise Management

Appendix I:  
Model of  
Harmonized  
Copreneurial  
Enterprise  
Management  
Author (2011)



## **APPENDIX J: Publications and Conference Papers**

Eisele, P & McMurray, AJ 2010, 'Gender diversity: An optimizing element in copreneurial sustainability', *Proceedings of the 2010 International Academy of Management Annual Meeting*, Montreal, Canada (paper).